Daily Report

Latin America

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FBIS-LAT-89-156 *15 August 1989*

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Cuba

UN Secretary General Praises Havana, Luanda

FL1508005689 Havana Television Service in Spanish 0000 GMT 15 Aug 89

[Text] Today, UN Secretary General Javier Perez de Cuellar praised Angola and Cuba for the cooperation given to the UN mission that controls the withdrawal of Cuban internationalists from Angolan territory. In a message sent to the Security Council, Perez de Cuellar said the complete cooperation given by Havana and Luanda is one of the fundamental premises for the United Nations being able to fulfill its mission. The document confirms that the withdrawal timetable agreed on by Cuba and Angola is being successfully complied with.

Visas Denied Reporters Accompanying Team

FL1408122989 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Aug 89

[Text] Commander in Chief Fidel Castro late last night said goodbye to the members of the Cuba team that departed for Puerto Rico, site of the Seventh Intercontinental Baseball Cup.

During his meeting with the baseball players and the press that should have attended the competition, the unusual decision of the Yankee State Department—to not issue visas to the national press that was responsible for reporting on all aspects of the tournament—was analyzed. This attitude once again demonstrates the imperialist prepotency and the colonial status of Puerto Rico, a brother country that suffers the humiliation of not being able to decide who will or will not participate in a sports event it is hosting.

The departure of the team does not mean that their participation in the tournament will be assured, says Manuel Gonzalez Guerra, head of the Cuban Olympic Committee, who is accompanying the delegation and who will also participate in the meeting sponsored by the International Olympic Committee, IOC, in Puerto Rico next week. Gonzalez Guerra added that enormous efforts are still underway to allow our journalists to attend the event.

The Seventh Intercontinental Baseball Cup competition will begin on Wednesday, 16 August.

During the meeting, Antonio Pacheco, captain of the Cuba team, gave the commander in chief a mitt and a baseball as a gift from the national baseball team to Fidel on his birthday.

Visa Denial Protested

FL1508023389 Havana Radio Reloj Network in Spanish 0202 GMT 15 Aug 89

[Text] The circle of sports reporters in our country has categorically rejected the U.S. State Department's foolish maneuvers for denying visas to Cuban reporters who were scheduled to go to Puerto Rico for the Intercontinental Baseball Cup. This absurd and low attitude attempts to limit information to our people who are so fond of sports. Baseball is a true popular passion.

The Cuban reporters' document notes that the United States is even ridiculing Puerto Rico's Olympic Committee and Baseball Federation. They are powerless in solving the problem affecting the country, which is at the top in this sport internationally. The circle of sports reporters expressed its strongest protest and forwarded it to the International Baseball Federation and the International Sports Press Association.

Castro Unveils Bust of Blas Roca Calderio

FL1408130789 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Aug 89

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, has unveiled a bust of Blas Roca Calderio at the headquarters of Brigade No 13 of the contingent that bears the name of that outstanding communist leader.

Fidel spoke with construction workers, family members, and guests of the collective which celebrated the birthdays of four comrades. The workers collective also held a beautiful party, which included pinatas, puppets, and gifts for the workers' children.

Brigade No 13, like the rest of the members of the contingent, celebrated their production achievements. The brigade was able to break ground for the right wall of the (Ilucio) dam and it also used 400 cubic meters of concrete to protect the left side of that dam. This workers collective is draining the Almendares River and has close to 120 men who have excavated 2.5 km of land for the drainage of that body of water.

Reportage on Foreign Minister Malmierca in CSSR

Discusses Relations With Bloc

FL1408141489 Havana Tele-Rebelde Network in Spanish 1100 GMT 13 Aug 89

[Text] Cuban Foreign Minister Isidoro Malmierca has said in Prague, shortly before departing for Cairo, that our country and the CSSR plan to create the necessary conditions to continue strengthening economic cooperation during the next 5-year period.

Malmierca said that the determination to eliminate any difficulty stemming from economic restructuring in the CSSR was evident during the talks he held with CSSR leaders. We are confident, added the Cuban foreign minister, that we will not confront any difficulties because the two countries are interested in benefiting from all the advantages of socialism.

Malmierca also said that if the changes that occur in a certain socialist country imply economic difficulties for Cuba, solutions will be sought.

Links Disarmament, Development

FL1408221589 Havana Radio Reloj Network in Spanish 1943 GMT 14 Aug 89

[Text] Cuba believes that the upcoming Ninth Nonaligned Movement Summit, to be held in Belgrade, Yugoslavia, should lay the foundation so that the disarmament process can end successfully with the participation of everyone.

Our country's Foreign Minister Isidoro Malmierca said in Prague that it is necessary for the nonaligned countries to play a very active role in order for the agreements reached between the Soviet Union and the United States for the elimination of short- and medium-range missiles be irreversible. He said: The successful conclusion of this process has to be achieved with everyone's participation. This involves the elimination of nuclear, chemical, and conventional weapons.

Malmierca added that the final declaration of the Belgrade summit should highlight the necessary link between disarmament and development. A process similar to the East-West detente we all welcome should take place between the North and South.

Malmierca said in Prague that the North-South dialogue should make possible the finding of a solution to the unbearable foreign debt problem. We need to move toward a new international economic order because if not, even if the debt was eliminated, we would face a similar situation in a short period of time, said the Cuban foreign minister. Malmierca asserted that the solidarity of nonaligned countries with the cadres that are still suffering from colonial domination should also be among the priorities to consider in the Belgrade summit.

We are certain that during the ninth summit the chiefs of state will reiterate the timeliness and absolute validity of the principles and goals the movement has fought for since it was founded almost 30 years ago, precisely in Belgrade, added Malmierca.

Rincon Dam Promised Ahead of Schedule

FL1408151689 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Aug 89

[Text] The largest hydraulic project currently under construction in Las Tunas Province is the Rincon Dam located in Majibacoa Municipality. When it is finished, the dam will supply water to the city of Las Tunas. The dam is designed to hold 21 million cubic meters of water. About 190,000 meters of earth have been moved in the construction of this dam and work is simultaneously underway to construct the first 40 homes to house additional workers, so that the dam can be finished soon.

Brigade No 14 of the Construction Ministry, which is working with the spirit of a contingent, has promised the leaders of the PCC that they will finish the dam ahead of schedule. The brigade is also working on 11 km of pipes that will carry the water to the city and the main collector, which is almost 7 km long. The collector will prevent the water in the important dam from becoming polluted.

Contingents Become Necessity for Progress

FL1408180489 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Aug 89

[Station commentary]

[Text] Comrade Fidel was categorical in his opinion when he affirmed that, in practice, the idea of contingents has been overcome by reality. The statement the commander in chief made this weekend makes one stop and think.

If more than 60 contingents are operating in the country—almost all of them in construction— if their work is more productive; organized, rational, and of better quality; if the men chosen for those collectives enrich the revolutionary and communist awareness in their groups; if, in conclusion, their moral and material result is superior, then that is the type of labor organization that is advisable for the country.

The contingents appear to be destined to be established wherever they are feasible and, above all, without altering the rules and principles that led to their creation in 1987, based on an idea expressed by Comrade Fidel.

If about 20,000 workers that are now grouped into contingents have fulfilled and will continue to fulfill what we have envisioned, what will it be like in the future? Yesterday, the contingents were a project, an experiment; today they are a necessity. Only by working with the spirit of a contingent will the nation march forward.

Fidel himself has told us: Perhaps one of the tragedies of Third World countries is that they long for the consumption of developed capitalist societies by working 7, 6, or 5 hours. That is a dream; that is an illusion. If one wants

to attain abundant material wealth—the ones we need and want—it is necessary to work, and to work hard. It is necessary to increase labor productivity. It is necessary to rationally apply all human and material resources. There is no other way.

Havana Province Production Behind Schedule

FL1408184289 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Aug 89

[Text] At the end of July, mercantile production in Havana Province is behind schedule. Sixty-nine enterprises, which represent 78.3 percent of the enterprises in the province, have not fulfilled their respective plans. This results in a loss of more than 53 million pesos. In the agricultural-livestock sector, a loss of more than 14.3 million pesos was reported. This is a 5.7 percent decrease in comparison to the 1st quarter in 1987.

Five Arrested for Illegal Cigarette Manufacturing

FL1408180089 Havana Tele-Rebelde Network in Spanish 1700 GMT 14 Aug 89

[Text] Combatants of the Fourth National Revolutionary Police [PNR] Unit arrested citizen Jorge Antonio Monteagudo Perez while he was illegally making cigarettes in a room specially prepared for this purpose. The house in which this illegal activity was being carried out is located at No 130 Flores Street, Centro Habana Municipality.

Pedro Orlando Ruiz Naranjo, Alejandro Francisco Yanez Marquez, Eduardo Lezcano Villa, and Raul Monteagudo Perez were also arrested for being accomplices to the mastermind and having certain amounts of money as a result of their illicit work.

The authorities confiscated some 1,000 packs of cigarettes, prepared and filled; several cartons ready for sale; and over 20,000 prepared cigarettes. In their activities, the accused used paper stamped with the Populares State seal, official seals, as well as some basic, indispensable measures to achieve their purpose.

Man Sentenced to 15 Years for Strongarm Robbery

FL1408133389 Havana Radio Progreso Network in Spanish 2230 GMT 11 Aug 89

[Police report]

[Text] According to Gilbert Perez' report from Cardenas, the Provincial People's Tribunal of Appeals has sanctioned citizens Alfredo Leonardo Acosta Leon and Leobel Acosta Cruz to 6 and 3 months imprisonment, respectively. The tribunal has also sanctioned Ignacio Rosco Cordero and Elisardo Alvarez Blanco to 3 months of correctional labor with internment. Also Wenceslao Diaz Fernandez was fined 100 pesos.

The citizens were sanctioned for crimes of illegal economic activities. The men bought a shipment of cement from an unknown truck driver for 1,000 pesos and later, by mutual agreement, they sold bags of cement for 7 and 9 pesos to the residents of Cardenas until they were apprehended by the police.

According to other information sent by correspondent Perez Alejo from Villa Clara, citizen Pedro Andres Espinosa Alcantara, resident of Villa Clara's Remedios Municipality, was sentenced to 15 years imprisonment for being the mastermind of a strongarm robbery and intimidating the victims. The accused, Espinosa Alcantara, after making up an excuse to be left alone in the house of citizen Carlos Alberto Guinaga, took advantage of Guinaga's crippled condition and wounded him twice with a knife. His only purpose for doing this was robbery. After committing his crime, Espinosa Alcantara took a tape recorder, 16 men's t-shirts, 4 pants, a digital watch, 2 pairs of slippers, as well as a large quantity of children's clothing, all worth an estimated value of over 1,360 pesos in national currency.

After finding out about this action, the police forces of that municipality acted swiftly and captured the criminal who, after being detained, acknowledged his wrongdoing. He was then taken to the corresponding municipal unit of the National Revolutionary Police where he was kept in a provisional prison until he was brought before the judicial organ that judged him and sentenced him according the present penal code. Espinosa Alcantara had a previous criminal record.

Caribbean Affairs

Impact of Foreign Radio, TV Programming Examined

FL1408225089 Bridgetown CANA in English 2027 GMT 14 Aug 89

[Text] Paramaribo, Suriname, Aug 14, CANA—Suriname Vice-President Henck Arron wants to speed up the establishment of a "new international communication order" and to reduce the negative impact of foreign television, radio, and TV programming on Caribbean and Latin American nations.

Addressing regional broadcasters, Arron warned about the erosion of identity because of the impact of foreign programming. He also complained that some better off countries had pushed the issue of a new communication order and a balanced flow of information. Giving developing countries a better deal, into the background.

It was "very disappointing" to observe that the issue of the new order was "being pushed to the background by those who are in better conditions," Arron said at the Caribbean Broadcasting Unions 20th annual assembly, held here.

"Let us be realistic: The nations that have the financial means, the know-how and the technology will not be interested in this new communication order," he added. "They will do their utmost to keep control of the flow of information to their own benefit. One example is the use of satellites to transmit information through the world.

"Because of the impossibility of many small countries to dispose of the necessary equipment, they just have to receive what foreign stations transmit to them, without being able to do some transmitting of their own. The result is not difficult to predict: a loss of identity is surely to happen in the " [sentence as received]

Arron said the stations in industrialized countries offer a large quantity of good quality—programmes and our people in the Caribbean and the Americas "are eager to appease their hunger for recreation and entertainment, picking up foreign influences in their lifestyles." But on the other hand, he noted, it was impossible to close the regional frontiers to "signals coming from sources far beyond our boundaries."

The adundance of these foreign influences is affecting our minds as well as our traditional lifestyles, and is drifting us away from the values and standards we are accustomed to," Arron told the gathering. "We cannot allow this to continue any longer. We cannot stand aside and watch passively how our identity is slowly being eroded, if not destroyed."

He said that although there was a widening gap between the developed countries and the developing nations of the Caribbean and the Americas, "we are not defeated yet. There are still some opportunities left and I have full confidence in our capabilities to make use of these opportunities to preserve our identity."

He called for more regional cooperation on information and culture. "Let us start to improve jointly our knowledge, technology and our skill," he suggested. "Let us start to improve the functional cooperation between our nations. Let us learn from each other's experiences. Let us stop operating as singular islands or countries and combine our forces. Only in doing so we will have more exchange of objective information and more exchange of programmes of our history and heritage.

CBU president, Laester Spaulding, also talked about "cultural penetration."

"We put forward the proposition last year, and I am even more of the opinion today, that this phenomenon has only been looked at negatively, and that our response in attempting to counter the negative aspects of imported cultural influences, by censorship and legislation over the years, has been somewhat myopic," he said.

"A primary benefit, that of widening the knowledge base of our people, has been in most instances, intentionally ignored. Additionally we have not faced the fact that modernisation, the advance of technology and the Caribbean's geographical proximity to the North American continent, have made such efforts both futile and irrelevant."

Spaulding added: "The view of a well known writer on broadcasting, who perceived the mass media as agents of what he called "epochalism" which is moving with the present, rather that of "essentialism" which is holding an inherited course, has long been accepted by students of communication and modernisation and, I hope, the modern media managers.

"Against the background and with the realities of geographical location, our member countries should recognise the inevitability of this wide exposure to many other views, and set out to redefine the role of the media.

"Media has to develop "empathy," the ability to identify with social, political and technical needs of our own young nations in the context of the rest of the world, beyhond the confines of our parochial experiences."

Spaulding, reviewing the year, said the CBU had improved its tack record.

"...Even the severest critics of the CBU would need to concede that over the past twelve months the union and established itself as the regional umbrella organisation providing the means for co-operative action and the provision of common services among its members," he said.

Caricom

Foreign Ministers To Visit Haiti 14 Aug

FL1408144089 Bridgetown CANA in English 1254 GMT 13 Aug 89

[Text] Nassau, Bahamas, August 13, CANA— A Caribbean Community (Caricom) foreign ministers team begins a week-long visit to Haiti on Monday [14 August].

"The purpose of the ministers' visit to Haiti is to first and foremost establish dialogue with the Haitian people," said Bahamian Foreign Minister Charles Carter.

"Secondly (the ministers) will try to encourage the government infrastructure that is there to move as quickly as possible toward the restoration of some kind of democratic society, recognizing that that may take a long time," Carter added.

Carter will be joined by Foreign Ministers Sahadeo Basdeo of Trinidad and Tobago, David Core of Jamaica and Neville Cenac of St Lucia, who is mission leader in his capacity as chairman of the Caricom Foreign Affairs Committee. Carter said he expected Bahamas to play an

important role in the mission because it is the only Caricom nation to have an embassy in Haiti and to maintain a constant relationship with the French-speaking nation.

Carter said the ministers will be talking to a wide cross-section of the Haitian people, including businessmen, military and political leaders, the church and civic groups. He said he hoped the visit will help to promote the restoration of aid to Haiti.

"We recognize that political stability cannot come against the background of economic instability and therefore the Caricom foreign ministers will be looking at a wide spectrum of issues in Haiti to see where we could assist them in trying to get the kind of economic input that will cause there to be more stability in Haiti. "We are hopeful that this visit will spur (aid donors) memories and help them to do something to assist Haiti," Carter said.

Last week the United States announced it had granted Haiti 10 million U.S. dollars in economic aid, the first direct assistance to the interim government of General Prosper Avril.

Further on Ministers' Visit

FL1408182689 Nassau Domestic Service in English 1700 GMT 14 Aug 89

[Text] The country's minister of foreign affairs, the Honorable Charles Carter, will be in Haiti this week. Mr Carter joins other ministers of foreign affairs from St Lucia, Jamaica, and Trinidad and Tobago.

While there, the ministers will help to restore democracy to that country. They will be in Haiti for 5 days.

Dominican Republic

Puerto Plata Tourism Affected by Power Outages

FL1408164889 Santo Domingo Radio Mil Network in Spanish 1123 GMT 14 Aug 89

[Text] Puerto Plata—The situation has become critical for tourists in the Playa Dorada complex because of a lack of electricity.

Tourism Infrastructure, Infratur, a department of the Central Bank, refused to install a 1,000 kilowatt electrical plant in the area because it would damage the ecology and environment. The Infratur decision was harshly criticized by hotel owners in the Playa Dorado tourism complex. The owners have seen a decrease in the number of vacationers to their hotels.

According to reports from Puerto Plata, the largest tourism complex in the area is experiencing a tremendous electricity and potable water crisis. It also has been determined that a single vehicle of the CDE [Dominican Electricity Company] is responsible for the entire area from Puerto Plata to Gaspar Hernandez to attend to the region's electrical needs.

The lack of water and electricity has irritated the tourists who are visiting the northern zone. They have expressed their displeasure over the lack of such important services.

Grenada

Constitutional Means To Oust Blaize Planned

FL1208182989 Bridgetown CANA in English 1815 GMT 12 Aug 89

[Text] St George's, Grenada, August 12, CANA—Grenada's parliamentary opposition says it will use constitutional means only to try to bring down the minority Herbert Blaize administration.

The National Democratic Congress (NDC) will not resort to "street politics," said the party's leader Nicholas Brathwaite.

"We will do everything constitutionally and democratically open to us," he told a news conference, adding that the party would seek to have a no-confidence motion debated at the next sitting of Parliament on August 25.

The NDC called in reporters to discuss the contents of a letter written by Prime Minister Herbert Blaize to its parliamentary leader George Brizan on his call for the fixing of an election date for no later than December 31.

The prime minister ignored the ultimatum but said he does not propose to "go near to that ultimate date" of March 28, 1990, the latest date elections can be held.

"There are, however certain processes now in train, the outcome of which would be adversely affected by the announcement of the cut-off elections date at this time," the letter continued. "I will however, continue to bear in mind both your concern and the welfare of the nation as a whole," Blaize said.

Brathwaite said Blaize's letter was unacceptable and unsatisfactory. "This response from the Prime Minister aggravates the situation more than helping to clarify it," he said.

The NDC had initially asked for a polling date not later than November 15 but Brizan said that, in discussions with Blaize earlier this week, Blaize told him he felt "constrained" by that.

Brizan assured the prime minister, he said, that the opposition would not take an inflexible position on this but elections should be held before the end of the year. Brizan told reporters that a new government must be

given reasonable time to prepare a budget for 1990 and to prepare for the World Bank-sponsored Aid Donors Conference in February 1990.

"The position of the NDC is that if, by today (12th), the prime minister does not announce a date for general elections to be held before 31st December 1989," he said, "then the NDC parliamentary opposition would, at the earliest opportunity, table a vote of no confidence in the government..."

That opportunity, he thought, could be August 25 when the House of Representatives will continue a sitting adjourned on August 4.

The Blaize government has been hit by two ministerial resignations which have reduced its strength.

Haiti

CATH/CLAT Changes Name, Ends Congress

FL1408175389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Aug 89

[Excerpts] The first important congress of the CTH, Confederation of Haitian Workers [Konfederasyon Travaye Ayisyen], heretofore known as CATH/CLAT [Autonomous Organization of Haitian Workers affiliated with the Latin American Organization of Workers], ended early yesterday morning. This congress began on the afternoon of 10 August [at the union federation's new headquarters] on the Freres road in Petion-Ville. The congress reached many decisions, among them to change the union federation's name from CATH/CLAT to CTH, Confederation of Haitian Workers. Also, CTH has a new executive committee. We interviewed Jean-Claude Lebrun, the new secretary general.

[Begin recording] [Lebrun] [passage omitted] Most of the documents drawn up during the congress were approved. There were only a couple of documents that the congress didn't have time to approve. The congress decided to have the 25-member executive committee—because a 25-member executive committee for the confederation was elected—invite a few members from the different federations to act as an expanded executive committee to approve the remaining documents, which are not so terribly important. The documents in question are not as important as the statutes, the declaration of principles and so forth, which the congress must approve, and which it did indeed have time to approve. [passage omitted]

What we consider significant about this congress is that, first of all, CATH/CLAT [now CTH] was created in the context of post-7 February by a few people, who have been running it. The point is how these people came to lead the CTH. It is they who chose themselves. I mean, we can consider them the founding members. The CTH later developed, began growing, and we saw that the statutes require that we set up a rightful committee—because we ourselves considered ourselves provisional, or de facto. Therefore, we have righted things by holding a congress to, first of all, discuss and approve new statutes for the CTH; second, to define for the CTH the principles and values it is defending. It is up to the congress to define the CTH's political and ideological line. Also, we had to choose a new committee to lead the CTH. At the same time, we had to analyze the political crisis the society is traversing and issue a number of resolutions condemning what is being done and at the same time study a number of solutions to help—how can I put it? —to permit us to find an alternative solution to the crisis we are going through. That was the objective of all these discussions, which began here more than 8 days ago, (?beginning with) a seminar and (?ending with) a congress.

[Reporter] And are you satisfied with the results?

[Lebun] Well, we cannot say we are totally satisfied, because, as you know, this is our first congress, and the participants were inexperienced. [passage omitted] Also, the (?discussion) techniques of the (?discussion leaders), who had to lead a group of 150 members participating in a congress, required a certain ability. And there, we feel there were a few weaknesses. However, we consider it a new experience.

Also, another thing that we are not satisfied with is that because there was some waste of time, (?due to) the dynamics of the discussion, we were not able to get all the documents out in time to be approved directly by the congress. [passage omitted] Upon departing, they had to leave a few documents—which are not fundamental documents—in our hands, for us to formulate, and we will present these documents to the CTH's next congress for approval.

[Reporter] When will the next congress be?

[Lebrun] Well, the general assembly decided last night—by, I think, (?a majority of) 32 votes—that the next congress will be in 4 years—that is, that the CTH is to hold a congress every 4 years.

Authorities Said Involved in Land Conflicts

FL1408183589 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 11 Aug 89

[Excerpts] [Announcer] Some peasants from the Artibonite Valley came to the radio to voice some complaints in connection with land. Let's listen to a report on this.

[Unidentified reporter] The problem of land in the Artibonite plain constitutes not only a dossier but a challenge to all the area's civilian and military authorities, whom certain area inhabitants say are sticking their noses into these land conflicts in order to secretly reap a little profit for themselves. This time it is in (La Gon) (?and) Lachicotte, near Desdunes, that the situation is tense.

We talked to Henri Joseph about this matter. Joseph is an area farmer who came to complain about (Excellent Emile), (Odilon Pierre), and (Nody Jean-Baptiste), who are forcefully making it possible [ki enpoze] for (?a family from Mahotiere) to take possession of land that the courts authorized them to take possession of.

[Begin Joseph recording, in progress] ...(?with) three men armed to the teeth, a certain (Excellent Emile), (Odilon Pierre) and (Nody Jean-Baptiste). These three men are armed, and it is they who are responsible for all the crises taking place in the Artibonite. [passage omitted] How? By taking people's land unjustly, arbitrarily, illegally. While land is taken like this, while the courts rule in favor of he who is in the right, they go out and hire mercenaries from (?all over Haiti) and give them weapons—because they have weapons, for they have never been disarmed—so they can go and commit criminal acts and kill people. [passage omitted]

Despite the fact that the courts have issued arrest warrants against these three men, the police have never tried to comply, have never (?arrested them). [passage omitted] [end recording]

[Reporter] The people complaining say that these three men are tolerated by the civilian authorities, and that this is one of the reasons they have no qualms against operating with firearms. Henri Joseph also accused the authorities in Saint-Marc of themselves obtaining a little portion of the 20 carreaux [1 carreau = 1.29 hectares] being disputed in the area.

[Begin Joseph recording] [passage omitted] They have weapons and they are protected by the civilian authorities in Saint-Marc. Now that a warrant (?has been issued) for their arrest, it was the prefect who went to the barracks and asked them all to hold off on arresting these people. [passage omitted]

For example, the current prefect's father has received some of the land. There is also (Pierre T. Etienne), (?from Marchand), who has at least 15 carreaux. Old man Guillaume, who was at one time the representative of the Department of the Public Prosecutor, also has some. [passage omitted] [recording fades out]

[Reporter] We remind listeners that Interior Minister Acedius Saint-Louis went to Saint-Marc on 5 August to meet with the peasants from the lower Artibonite involved in land conflicts in the area. On that occasion, the minister spoke before some 200 peasants from different parts of the plain. He asked them to remain calm and told them that the courts would settle everything. However, we notice that the matter of lands in the Artibonite is still unresolved, and even the Justice Department says that this is a situation that is causing much harm and is spreading.

Les Cayes Radio To Get New Station Director

FL1408185189 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Aug 89

[Excerpts] Radio Men Kontre in Les Cayes has a new director, Father (Willy Jinieus).

(Les Cayes correspondent [Obus Jean Raymond]) [passage omitted] However, before that, on 14 July, Father (Decoste) [former Radio Men Kontre director], in a meeting with his tools —that is, the radio station's personnel—had announced that it was his last meeting, because he was leaving. [passage omitted]

Thus, at approximately 0800 yesterday, Sunday, there was a mass of thanks celebrated at the chapel of the bishopric in Les Cayes to say good-bye to Father (Decoste) and to welcome new director Father (Jinieus). [passage omitted]

In the (?homily), Father (Jinieus), who is a student in communications, stressed the importance of communications to God's people and to the struggle of the Haitian people. [passage omitted] The priest asked all the faithful (?and friends) present to cooperate with Radio Men Kontre to permit its work to become increasingly effective day after day. Father (Jinieus) said his objectives at Radio Men Kontre could be summed up by three words: love, charity, and dialogue. [passage omitted]

For his part, Father (Decoste) addressed a word of thanks to all the radio's listeners, friends, and supporters, and all the radio's employees—his tools, so to speak—for the way they had collaborated with Radio Men Kontre. He said he was leaving, but would be back to serve his country, because his mission was not yet accomplished. [passage omitted]

Father (Decoste) began working at Radio Men Kontre during the summer of 1986, and was named director of the radio station [words indistinct]. In order to eliminate individualism among his personnel, he introduced a (?plan for unity) among them, a committee within the radio made up of: (Bernardin Roche), editor in chief for news; Thomas Achilles, who is responsible for the youth section; (Erile Charles), prayer section; Frantz Lubin, technical section; and (Roosevelt Derizor), for (?sports).

(?There is) a programming committee headed by: (Joseph Cazeau), with (Patrick Jean Robert), (Josnel Jabouin) and (Raymond Mourra) as advisers. This committee will [words indistinct] put their heads together in the service of the 39 parishes in the southern diocese.

We remind listeners that Father (Jinieus) is of Flemish origin. He was assistant parish priest of Anse-a-Veau parish. He is now the provisional director of Radio Men Kontre. [passage omitted]

Jamaica

New Radio Station Begins Broadcasts 13 Aug

FL1408192989 Bridgetown CANA in English 1832 GMT 14 Aug 89

[Text] Kingston, Jamaica, Aug 14, CANA—Jamaica's first new radio station in 30 years hit the airwaves on Sunday [13 August].

The station primarily serves the Greater Mandeville area in central Jamaica where it is based, but reaches some 80 percent of the island's listening audience. The arrival of the new station, KLAS 89.6 FM, is regarded as a welcome addition to the island's two other stations, the Jamaica Broadcasting Corporation [JBC] and Radio Jamaica limited [RJR] which both operate AM and FM services.

KLAS 89.6 FM is owned by Island Broadcasting Services Limited, a consortium of local businessmen. It was one of the regional stations operated by the JBC and which was divested by the former government.

According to KLAS General Manager Keiron Hylton the station will set new standards in news and musical entertainment. "There is a large unserved market in Jamaica that does not listen to radio any more," said Hylton.

The music played on the new station is aimed at the over-25 age group, but Hylton is convinced that "young people with good taste will follow. We'll be playing music to lift the level of music appreciation in Jamaica." Most of the music played will be from compact discs.

One feature of the stations programming will be a call-in show "Straight Talk" hosted by Wilmot Perkins which will clash head-on with RJR's "Hot Line" and JBC's popular "The Public Eye", both call-in shows. In addition the new station will offer a night-time call-in programme "Speak Your Mind".

According to Hylton, a major shift will be emphasis on investigative news reports. There will be half-hour newscasts in the morning, midday and evenings as well as periodical newsbreaks.

Trinidad and Tobago

Three Trinidadians Fight Extradition Charges

FL1508024089 Bridgetown CANA in English 2222 GMT 14 Aug 89

[Text] Port-of-Spain, Trinidad, Aug 14, CANA—Some of Trinidad and Tobago's top lawyers on Monday [14 August] questioned the power of the country's courts to extradite three citizens to the United Kingdom.

In a defence team line-up which included former Attorney's General, Karl Hudson-Phillips and Russell Martineau, human rights lawyer Ramesh Lawrence Maharaj, and Port-of-Spain lawyer Osbourne Charles, the Port-of-Spain magistrates court heard over three hours of detailed legal submissions.

The lawyers replaced earlier legal representation for three Trinidadian men who stand accused of being part of what state officials have described as a massive drug ring operating between Britain and the United States.

The three are Percival Lezama, a 48-year-old games supervisor at a United States Virgin Islands games park, 38-year-old Ramcharan Bedasie, a car salesman, and a 30-year-old managing director of an auto sales company, Winston Pirally.

The group, escorted to and from court by a large group of senior police officers and motor cyclists, faces extradition under Trinidad and Tobago's 1984 Commonwealth and Foreign Territories Act to answer drug charges in Britain. However, defence attorneys, led by senior counsel Hudson-Phillips, argued whether the United Kingdom's extradition legislation sufficiently matched that of Trinidad and Tobago to allow the guarantees for treatment of a Trinidadian citizen as mandated by the local act.

If this line of argument is successful, the courts here would have no jurisdiction to pursue the extradition case and would have to throw the case out of court. Acting Director of Public Prosecutions (DPP) Gladys Gafoor is to respond to this argument on Tuesday morning.

Accompanied by Gafoor on Monday were two British officials, who would only give their names as Mr. Stone and Mr. Browning, and state that they represented British customs in the case. Gafoor had said last week that they were likely to give evidence in the states case for extradition. Added to these initial legal arguments, defence lawyers argued for bail before a packed courtroom which had to be changed twice to accomodate the large turnout.

When the three first appeared last Thursday [10 Aug] with different lawyers, their bail application had been sent to a judge in chambers. This application was withdrawn Monday morning and brought again to the magistrate's court under the argument that documents giving evidence on the case were not being forwarded by the state. Despite constant arguments for bail, Chief Magistrate, Melville Baird, said he would look at the question of bail at the end of the full set of legal arguments.

The three were held on Thursday morning for knowingly conspiring in the importation of controlled drugs against the laws of the United Kingdom.

Foreign Minister's Statements at SELA Meeting

PA1408161189 Mexico City EL DIA in Spanish 2 Aug 89 p 3

[Text] Cartagena, Colombia, 1 August—Mexican Foreign Minister Fernando Solana has said that Latin American countries need to take actions that require the need to assume more responsibilities. Solana spoke at the 15th Latin American Economic System [SELA] meeting and added that these actions demand that plans that are obsolete and do not contribute to our finding out what is happening in the world or in Latin America be abandoned.

The Mexican foreign minister noted that four basic things are needed for Latin American countries to work well together: First, a general agreement that the serious regional crisis is part of another more general crisis brought on by an imbalance in international financial exchanges.

On this subject, Solana recalled that problems began back in the early 1960's when raw material prices declined drastically, the international monetary system's operating rules were modified, and the fiscal and financial imbalances in some of the world's biggest economies began.

The Mexican official stated that the second thing is that Latin Americans cannot evade the fact that the negative performances of our economies are also due to management errors. Some problems are caused by external factors, but others come from within our own countries, he added.

After he noted that in some cases incompetence and indecision have been the response to problems presented by the international financial situation, Solana Morales said that only by starting from a frank diagnosis of our problems can solutions be established that can be presented, discussed, and defended with firmness and logic to the rest of the world.

The third thing is that efforts must be begun to enhance the country's productivity, starting with the fact that "we have to reinstate our public offices as the basic instruments for promoting social development. The state has to take a firmer stand in conducting its economic matters, but it also has to be more selective and productive in offering competitive goods and services.

The fourth thing mentioned by the foriegn minister is that the international economic situation is a threat to the region's security. Poverty affects social peace "because it is increasingly difficult for a prosperous country to coexist with countries that are in extreme poverty. Either we share development and peace or we distribute hunger and violence."

In this respect, Solana Morales stated that SELA has to play a fundamental role in determining and explaining the true nature of the crisis that affects the region. SELA is the organization that can promote the idea that Latin American economic policies must be reevaluated since an extraordinary effort is needed to compete on an international level. SELA can lay the foundations for this effort, he added.

Solana also said that it was fundamental to unify trade regulations, foreign exchange strategies, fiscal policies, as well as to reduce differences regarding criterias to be used between monetary and financial issues. He added that today SELA confronted an important challenge: to take note of international changes and to convert them into opportunities for its member countries.

$200 Million 'Stopgap' Loan Made to Mexico

OW1208112589 Tokyo KYODO in English 0720 GMT 12 Aug 89

[Text] Tokyo, Aug. 12 KYODO—Japan will provide Mexico with a stopgap loan of slightly less than 200 million dollars in the form of a credit line through the Bank for International Settlements (BIS) to support the recent debt relief agreement between Mexico and its private creditor banks, government and Bank of Japan [BOJ] sources said Saturday.

The credit will be part of a 2 billion dollar bridge loan proposed by U.S. Treasury Secretary Nicholas Brady to cover the several months necessary for Mexico to obtain new financing from commercial banks on the basis of the rescue plan, the sources said.

The sources said Japan will negotiate with the Latin American nation on the repayment period for the planned credit in light of the terms of new loans to be negotiated by each bank with the Mexican Government. The United States has already pledged to share slightly more than 50 percent of the 2 billion dollar bridge loan and other major industrial countries will also participate in the proposed stopgap loan package, the sources said.

The BOJ will first offer a credit to the BIS, which will loan Mexico the money necessary to repay its external debts, the sources said. The latest step followed the accord reached July 23 in New York between the Mexican Government and creditor banks on reduction of Mexico's 54 billion dollar private-sector debt, or about half the 107 billion dollars the nation owes to foreign creditors.

The agreement, the first of its kind on Third World debt under the so-called Brady Plan, gives banks three options—reducing principal by 35 percent through debt-for-equity swap deals, cutting the annual interest rate to 6.25 percent or making fresh loans. The debt relief package could reportedly slash by up to one-third the 4.5 billion dollars Mexico is paying annually to service the debt it owes to commercial banks.

Authorities Annul Elections in Juchitan, Oaxaca

PA1208143189 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 12 Aug 89

[Text] Electoral authorities in Juchitan, Oaxaca have decided to annul the results of 11 of the 22 polling tables due to irregularities in the voting process. This preliminary decision opens up the possibility of annulling the elections held in this city, and then holding special elections. During the voting process, it was reported there were serious irregularities in La Venta, La Ventosa, and Chicapa de Castro villages.

Guatemala

Christian Democrats Elect Presidential Candidate

PA1408211489 Panama City ACAN in Spanish 1240 GMT 14 Aug 89

[Text] Guatemala City, 14 Aug (ACAN-EFE)—In the midst of accusations of "fraud" and a petition to annul the ruling Guatemalan Christian Democratic Party [PDCG] internal elections, at dawn today, Alfonso Cabrera was proclaimed the winner of the elections, with 79.3 percent of the vote.

The PDCG's autonomous electoral tribunal disclosed the results at 0100 on Monday morning, proclaiming Cabrera the winnner over his leading opponent Rene De Leon, who won 46 percent of the vote.

Raquel Blandon, wife of President Vinicio Cerezo and also a presidential hopeful, did not win any votes in this internal election.

According to the autonomous electoral tribunal, Cabrera won in 167 municipalities, while De Leon, who claimed "fraud" and called for the elections' annulment because of "irregularities discovered in the electoral voting lists," won in 46 municipalities.

While Alfonso Cabrera was celebrating his victory, De Leon said at a news conference that "serious irregularities were detected in over 300 municipalities. [no closing quotation marks as received]

Among these irregularities he pointed out that registration was not controlled by the municipal executive committees; it was arbitrarily "handled by members of Cabrera's following."

For De Leon's group, the best example of "fraud" was the fact that many leaders' names were not on the electoral voting lists, which precluded their voting, "all of this for the manifest purpose of unseating the true Christian Democrats."

Alfonso Cabrera, meanwhile, said that he won in keeping with his party's internal laws, and that his only worry now is 3 November, when the first round of presidential elections will be held.

"My leadership has been acknowledged by most of the 136,000 party members who voted to elect the party's official candidate for the general elections in 1990," Cabrera told ACAN-EFE.

Concerning the accusations of fraud, the DCG candidate admitted that "there had been mistakes in the electoral voting lists," but that the election results "are clean, as is expected from a party that respects democracy," he said.

Cerezo's wife Raquel described Sunday's elections as "a historic day," and although she was not elected, she supported the winner of the internal elections and asked that the will of the ruling party's members be respected.

Honduras

Foreign Minister Note to UN Secretary General

PA1408210589 Tegucigalpa LA TRIBUNA in Spanish 12 Aug 89 p 3

["Text" of note to UN Secretary General Javier Perez de Cuellar from Foreign Minister Carlos Lopez Contreras in which Honduras officially withdraws its objections concerning UN observers—date not given]

[Text] Mr Secretary General:

I am honored to address Your Excellency to inform you that in accordance with paragraph five of the Tela Declaration signed on 7 August, the Honduran Government has decided to withdraw the objections it presented in a document drawn up in San Jose, Costa Rica and dated 31 March.

That document expressed reservations concerning the creation of the Group of UN Observers in Central America (ONUCA) and asked Your Excellency to adopt the necessary measures to implement the verification mechanism.

It is understood that the official withdrawal of that objection will be effective once the Nicaraguan Government, according to the law, formalizes its request to the International Court of Justice to postpone the established date for presentation of documents concerning the merit of charges that Nicaragua has filed against Honduras, as stipulated in the second paragraph under point (C) of the extrajudicial agreement, that which appears as annex two of the aforementioned Tela Declaration.

I avail myself of this opportunity to reiterate to Your Excellency the expressions of my highest and distinguished esteem.

[Signed] Carlos Lopez Contreras, minister of foreign relations

Army Places 'Cordon' Around 'Contra' Camps

PA1408165489 Panama City ACAN in Spanish 1510 GMT 14 Aug 89

[Report by Armando Cerrato]

[Text] Tegucigalpa, 14 Aug (ACAN-EFE)—The Honduran Army has set up a security cordon around the "contra" camps on the Nicaraguan border to prevent the disbanding of these irregular forces prior to their formal demobilization.

The demobilization, repatriation, or voluntary relocation, of the "contras" to third countries was agreed upon by the Central American presidents on 7 August in Tela, Honduras.

The "contras" have camps covering approximately 460 square km of Olancho and El Paraiso Departments in eastern Honduras on the Nicaraguan border, where they receive humanitarian aid from the United States.

The rebel force's political and military leaders have announced that prior to their demobilization the Sandinist regime must take steps toward Nicaragua's democratization and establish guarantees for the demobilized fighters.

The rebels also say that if an attempt is made to demobilize them without first listening to their points of view, they will return to Nicaragua "with weapons in hand, with or without U.S. support."

Meanwhile, Honduran President Jose Azcona said over the weekend that "if the contras refuse to demobilize and turn their weapons against Honduras, we will put them in their place."

The Honduran Army has had a "contra" contingency plan for a long time, and the security cordon constitutes the operational part of the plan, an officer who asked not to be identified told ACAN-EFE.

"It is an effort to prevent that force from disbanding before the demobilization plan is carried out through the established procedures and under international supervision," the officer said.

The source said that "our soldiers have been instructed not to allow either armed or unarmed 'contras' to leave their camps to move into the interior of our territory."

Part of the plan involves keeping the "contras" and reporters apart "to prevent speculation and statements that, in short, would not contribute to diminishing opposition to the decision made at the Tela summit meeting," the source said.

According to the schedule approved by the Central American presidents, the "contras" should be demobilized by 8 December 1989 at the latest.

The demobilization agreement and the deadlines established surprised the entire world and the U.S. Government, which supports demobilization only after the results of the February 1990 Nicaraguan elections are known.

The demobilization plan prepared by Honduras calls for the creation of the International Support and Verification Commission (CIAV) and the possible presence in Honduras of a UN peacekeeping force.

On 10 August, Honduras withdrew a reservation it had expressed at the United Nations regarding the formation of a peacekeeping force for Central America.

Nicaragua

Ortega on U.S. Church Aid, Prisoner Release

PA1408175689 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 89

[Report on statements by President Daniel Ortega at the Olof Palme Center in Managua on 12 August—passages within quotation marks recorded]

[Text] Nicaraguan President Daniel Ortega told a group of U.S. Christians affiliated with an aid convoy called Shepherds for Peace that the Nicaraguan Government does not want war and that the country's aim is not to hold a single prisoner. The convoy of 26 vehicles, one of which unfortunately had an accident in Honduras, was met upon arrival by the CEPAD [Evangelical Committee for Development Aid] leaders. Ortega described the assistance the group provided as real humanitarian aid that should serve as an example to the U.S. Government. Ortega made these comments during talks with the visitors at the Olof Palme Center on 12 August.

[Ortega] "You are a good example for the U.S. Government, because you have brought us more than $1 million worth of truly humanitarian aid. I want to take this opportunity to tell the U.S. Government and the U.S. Congress that it is high time that the funds they approved for the contras be used to save the contras. In other words, remove them from the war and bring them to Nicaragua so they can work here. We could then all be proud of that aid and able to say that it is truly humanitarian."

The Nicaraguan president said that on 14 August he will meet with Cardinal Miguel Obando y Bravo, president of the National Reconciliation Commission, and on 15 August with members of the Sandinist People's Army, as an initial response to a request made by the National Union of Farmers and Cattlemen, UNAG, to release detained peasants.

[Ortega] "I am going to meet with Cardinal Obando y Bravo to discuss all the peace efforts we have been making. I am also going to meet with UNAG President Daniel Nunez. I am going to speak to them because they have requested the release of a quite a few peasants who became involved in counterrevolutionary activities. We are willing to respond favorably to this request. On 15 August, we are going to discuss this topic further with the fighters, soldiers, and with the people who have been living in war-torn zones. We expect to release a number of these peasants—at least as a first measure—because the UNAG has requested this. We do not want to keep any prisoners. We will not be satisfied while there is a war or while we are still holding prisoners. We have as a goal not having a single prisoner in our country. We will

be very happy when the last one is released, because it will mean peace has been achieved and there will be no more peasants, children, women, and old people dying because of the war. What seemed a few years ago to be an impossible dream is now practically a reality.

"The contras are talking of continuing the war, even though some have sought asylum in the United States. Even though we have few newspapers, we have a contra or Somozist national guard newspaper that carries an article in today's issue favoring war and praising the statement by a contra who has just requested asylum in the United States."

Meets With Cardinal Obando

PA1408200989 Managua Domestic Service in Spanish 1758 GMT 14 Aug 89

[Statements by President Daniel Ortega and Cardinal Miguel Obando y Bravo outside the Curia in Managua—live]

[Text] [Ortega] This morning I met with His Excellency Cardinal Obando, and we discussed contributions for peace that the Nicaraguan people want and demand.

Aside from the problems and differences that may exist, the truth is that since before the triumph of the revolution and after the revolutionary triumph, we have always asked Msgr Obando to contribute, with his moral and religious authority, to the peace process in Nicaragua.

Recently in August, we reached agreements of historic importance for the Nicaraguan people. There is the agreement I signed with 22 legally registered parties in Managua and the agreement that the five Central Americans signed in Tela, Honduras. These agreements contribute to a definitive peace in Nicaragua. This morning, I officially handed copies of these documents to Cardinal Obando for his information and also because we believe that these agreements are a result of the efforts made by the Nicaraguan Catholic Church, the Nicaraguan people, and of the continuous efforts of Cardinal Obando.

I also told the cardinal that we are prepared to comply with all these agreements. This morning I met with the Board of Directors of the National Union of Farmers and Cattlemen [UNAG], which is preparing a list of peasants who have been involved in counterrevolutionary activities and whose release this organization wants. This list—I have already reported this to Cardinal Obando—so far includes 800 names, and the UNAG leaders believe the final list will include more than 1,200 names. The government has the will to release all those who have been involved in these kinds of activities. Following the creation of the International Verification Commission, taking into consideration that the Church and the OAS had a verification organization functioning and had gained experience in this regard, I asked Cardinal Obando to consider the possibility of the Church participating in the process of verifying the reintegration into Nicaraguan life of people involved in counterrevolutionary activities.

This would be a reincorporation into the economic, political, and social processes of Nicaragua, with all due guarantees, and we have asked that the Catholic Church play a role in this process. Cardinal Obando has told us that this request will be studied by the Catholic Church.

In thanking Cardinal Obando for his peace efforts, I also want to ask the Nicaraguans who are in Nicaragua and involved in armed activities with the counterrevolutionaries, and Nicaraguans who are in camps in Honduras, to accept the demobilization plan. This plan will bring peace to all of us. After all, we are all brothers, brothers who have been separated by a cruel and imposed war. The time has come for putting an end to that war and for achieving the total peace that the Nicaraguan people deserve. This is the spirit in which we are working, a spirit of reconciliation—the spirit with which I met this morning with Cardinal Obando.

I want to make a special appeal to the media because in spite of the agreements that the parties and the president reached in this country recently, and in spite of the Tela Declaration, we still see divisive reporting, reports by people who still want to see Nicaraguans killing each other, who do not want the demobilization of the contras. These reports are not in line with the desire for peace of the Nicaraguan people.

We do not want more people killed. We do not want war. We do not want more weapons. We want peace. We want work. All Nicaraguans, especially the media, have an obligation to contribute to this peace process in Nicaragua.

[Obando y Bravo] As the president has correctly said, this morning he visited me. He gave me documents, including the documents on the Tela Declaration and on the agreements he reached with the opposition parties after a meeting of several hours, a meeting that went into the late hours of the evening. The president spoke to me about the possibility of the Church contributing with the Commission of Support and Verification for Pacification, and I told him that at a meeting the bishops of Nicaragua will be having, we will see how we can cooperate in this regard.

The president told me that I have been insisting on the amnesty issue. It is true that I have been insisting on amnesty, and I am happy to see that steps are being taken in that direction, because I believe that if we release from prison all these people who were jailed for political reasons, we would be taking a step toward fraternity and reconciliation.

Contras Reject Presidents' Demobilization Plan

PA1408222489 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 14 Aug 89

[Elan Reyes Pineda report]

[Text] The Nicaraguan contras, faced with the Central American presidents' offer of voluntary demobilization in Honduran territory, have reiterated their refusal to put down their arms. In Washington, the contras' most important spokesman, Bosco Matamoros, has said that the contras have arms and can continue fighting regardless of the approval of the demobilization plan by the Central American presidents. [Begin Matamoros recording] Ortega said that this peace agreement represents a mortal blow to the contras. This statement clearly indicates the philosophical position of Mr Ortega. He understands democratization to mean dealing mortal blows to whoever does not agree with him. There is a more serious problem than demobilization—U.S. policy toward Central America. It is obvious that the United States does not have the ability to maintain a consistent position in favor of real democratization in Nicaragua. [end recording]

This anti-Sandinist leader says there are 3,000 armed anti-Sandinist fighters in Nicaraguan territory. According to him, this is more than enough to reinitiate the struggle against the government of President Ortega. [Begin Matamoros recording] One objective fact is that in Nicaragua there are right now more than 3,000 Resistance fighters, and more will be going to Nicaragua to stay. We are going to maintain cohesion among our forces. Many people are distorting the situation in Nicaragua. [end recording]

Many people are saying that the Nicaraguan contras have neither the military nor the political force to maintain the struggle and that there is discord between the Nicaraguan rebels and the Bush administration. Bosco Matamoros has referred to this source of resentment: [Begin Matamoros recording] The U.S. has surrendered, not the Resistance. We have clearly said that we are going to maintain the truce and that we are going to respect the political process going on in Nicaragua, but the Resistance will not surrender and will not be demobilized based on promises from Mr Ortega. Mr Ortega has been acting cleverly. He has always signed documents while having no intention of complying with what he has signed. The Nicaraguan opposition is wondering when the Sandinists will begin to fulfill their commitments. In Esquipulas, the Sandinists made many commitments, including one for a general amnesty, but there are still thousands of Resistance prisoners in Nicaraguan jails.

What is amazing is that the Sandinist government is saying that the people of the Resistance can return to Nicaragua while they continue to hold thousands of political prisoners. This is something that has been reported in documents prepared by the Catholic Church, human rights organizations, and others.

We have to present our position in a broader fashion. The Resistance wants certain political conditions that do not exist in Nicaragua since the conditions have not changed. When a country has a political system that results in 20 percent of the people leaving the country—and Mr Ortega has forced that many people out—there is something wrong with that system. [end recording]

The Nicaraguan contras say they do not believe President Ortega's promises of amnesty, promises that were reiterated at the presidents' meeting in Tela.

[Begin Matamoros recording] The general amnesty was a promise that has never been fulfilled. The general amnesty is a ghost that looms over Nicaragua without materializing. [end recording]

The word voluntary is used in the plan for demobilization of the contras, who are to surrender their arms voluntarily. While Honduras this week complied with the commitment it had with the United Nations to bring an international peace force to Central America, thus lifting the reservations it had to the presence of such a force in Honduras because of a disagreement with Nicaragua, the anti-Sandinist rebels reiterated here that they will not leave Honduran territory.

EPS Chief on Demobilization

PA1408232889 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 89

[Report on statement by Lt Col Javier Carrion, second chief of the Sandinist People's Army (EPS) General Staff at Bluefields on 13 August]

[Text] Despite efforts to attain full peace on the Atlantic coast, FDN [Nicaraguan Democratic Front] contra forces continue to carry out military actions that kill valuable civilians and soldiers. The terrorist actions are being carried out by contra forces who have decided not to comply with the Tela presidential agreements, said Lt Col Javier Carrion, second chief of the Sandinist People's Army [EPS] General Staff. The military official said that these actions force the EPS to be ready to ensure that military plans are implemented to confront any enemy activity. There has been substantial headway in the contra military defeat, however, there is still a long way to go to attain permanent peace, Carrion said. Carrion urged Navy seamen to follow General Humberto Ortega's orders to ease the contra demobilization. Carrion said we must be ready to explain to the contras the extent of the Tela agreements and ensure permanent peace for the Nicaraguan people. The statements by the second military chief were made at Bluefield during the 9th anniversary celebrations of the Sandinist Navy.

Counterrevolutionary forces that disobey the Tela presidential agreements will become targets of EPS military planning, Lt Col Javier Carrion said, adding that contra units that disregard the agreements and engage in terrorist acts will be pursued, attacked, and wiped out. The

military official ordered sailors to cooperate with the contra demobilization so that permanent peace can be attained in compliance with the Tela presidential agreements.

[Begin Carrion recording] We must also be ready and alert to strike with all our military might against those small counterrevolutionary units that disregard the Tela agreements. They are currently without clear leadership, now that the contra general staff has asked for political asylum in the United States. If they inflict more casualties among our population, then the contras who rebel and disregard the Tela agreements, who kidnap and ambush, and who interfere in this region's river communication, will be the targets of military planning to punish, pursue, attack, and destroy them. With the Tela presidential agreements and with the military defeat of the mercenary forces, we are close to reaching full peace, but unfortunately we still need to shed blood and make sacrifices. To attain complete peace we need to implement the contra demobilization agreements and stamp out those contras who do not demobilize according to the Central American agreements. Aside from this, we must also ensure political work in connection with the aggression. [end recording]

About 150 leaderless contras are deep inside the Nueva Segovia mountains following the disorderly flight of the main contra leaders, said Major Daniel Poso, head of the General Staff of Military Region No 1. He added that the EPS has sent experienced officers to places where the contras have infiltrated to hold talks with them and inform them of the government's decision and the decision of the Central American governments concerning their demobilization or repatriation. In addition, the contras will be told what guarantees they will have when demobilizing, as announced by the Defense Ministry.

Meanwhile, the peace commission is outlining a plan to support the contra's reintegration. In the regions of Jalapa, Chilali, Somoto, and Condega, the peace commissions have been reactivated.

* Undistributed Goods Glut Port of Corinto

32480189a Managua BARRICADA in Spanish
9 Jul 89 pp 1, 5

[Text] The Office of the President of the Republic yesterday decided that the goods stored at the Port of Corinto that have no addressee or that have not been picked up by the recipient institutions will be distributed to the needy immediately by the government.

Several resolutions were passed at a meeting held at the Corinto Port Authority for the purpose of clearing out the warehouses. The meeting was coordinated by the acting president, Dr Sergio Ramirez, and Commander Henry Ruiz, minister of external cooperation. It was attended by regional port and customs officials.

Dr Ramirez read a detailed report submitted by the Interior Ministry (MINT), which indicates that products that have been stored at the port for months or years are now in a grave state of deterioration.

According to the report, the most sensitive problems involve milk and medications that are stored there. It was also learned that 4,400 quintals of flour spoiled because it was not removed.

At the meeting, the Ministry of Construction and Transportation (MCT) presented a project valued at $12 million for the permanent protection of Corinto.

The protection program consists of three phases, and involves building a jetty and reclaiming the coast with 860,000 cubic meters of sand.

Milk Shipment for AFA

The Office of the President and the Ministry of External Cooperation (MICE) resumed their close cooperation to clear out the goods stored in Corinto and distribute them among the neediest institutions and agencies in the country.

Commander Henry Ruiz appointed MICE Vice Minister Javier Bone to streamline this operation and coordinate the necessary actions with the Office of the President.

One of the immediate resolutions was to remove the powdered milk that is still in good condition and distribute it to the beneficiaries of the AFA [Rice, Beans, and Sugar Package] in August. Each beneficiary is to receive 25 pounds of milk.

Commander Ruiz stated that this milk will also be used for the "glass of milk" program that is being carried out as a pilot project in Region II.

Cutting Red Tape

Dr Sergio Ramirez approved a series of mechanisms proposed by the port authorities to cut red tape so that the goods can be removed.

Another initiative that was presented was newspaper announcements of the arrival of goods at the port so that their recipients will know they are there and will not have any more communication problems.

The report submitted by the Interior Ministry, under the command of Commander Jose Gonzalez, regional MINT agent, states that 12 institutions, including 10 state institutions, have the most merchandise warehoused at the port.

The MINT document indicates that the People's Industrial Corporation (COIP), the Ministry of Agricultural-Livestock Development and Agrarian Reform (MIDINRA), the Ministry of Health (MINSA), and the

National Institute of Sports (IND) are among the state entities with the largest quantities of goods stored in the warehouses for months or even years.

Spare parts, serums, sporting goods, wires, sodium sulfate, medications, milk, surgical materials, and cooking oil are among the goods that are at serious risk. Some of them are completely spoiled.

Francisco Martinez, director of the Port Authority, indicated that as of 30 June a total of 3,224 metric tons of goods were stored there.

"This is a problem that the government and the Revolution are very concerned about," said Dr Ramirez upon evaluating the MINT report.

Investigation of Flour

Regarding the thousands of quintals of flour that were lost, having been part of a Soviet donation, he pointed out that the government will conduct investigations and determine responsibilities.

MINSA Vice Minister Pablo Coca explained that a large amount of medication, primarily serum, "was already in bad condition" when it reached the country. "Our problem, basically, has been a financial one in getting the products out," he stated.

The acting president concluded by saying that the administrative procedures have improved, and added "that the problems can be solved gradually until they are reduced to zero."

"This problem must be placed in perspective. We should recall that the port was designed to handle small shipments. With the blockade, we are forced to obtain credit lines from socialist countries, and large ships are coming in. The port was not equipped to handle such quantities," said Dr Ramirez.

* Economic Disaster, Military Build-Up Linked

* Military Adjunct of FSLN

32480189b Managua LA PRENSA in Spanish 8 Jul 89 p 2

[Text] When the National Directorate of the Sandinist National Liberation Front (FSLN) first came to power, it was obliged to draft or redraft its own military doctrine. By then it was a party in power and not a mere insurgent guerrilla force.

It believed that power would always be in the hands of the FSLN, most particularly those of the leading bureaucratic caste. The time to enjoy the spoils of victory had come. The new power would be portrayed as an infallible exponent of workers, peasants, and the people as a whole, who would always have to say, "National Directorate, give us your orders."

The FSLN, without renouncing—at least theoretically—a statist program cut from the mold of Stalinism, was to compromise by agreeing to an imprecise model of mixed economy, political pluralism, and nonalignment. It did so in order to avoid a direct confrontation with the United States and thus obtain very diverse and abundant financing. All of this was justified as well by the USSR's refusal to take on the full weight of a new parasitic burden.

As a consequence:

a) It undertook to form a huge army (250,000 at present), trying to force everyone to join the militias and the reserves. Then it institutionalized Compulsory Military Service (SMO). The only serious military threat was direct aggression by the United States. The Contras were not initially perceived as a major danger.

b) The Interior Ministry was also designed to be gigantic, and it set to the task of weaving an infinite web of espionage, not only for military purposes but also to monitor and repress any non-Sandinist demonstration or demand, no matter where it came from.

c) It allocated enormous financial and material resources to sustaining and equipping the Armed Forces.

This doctrine was of clear bureaucratic-totalitarian inspiration, which was understandable when the FSLN governed without any kind of institutional framework to respect and without any commitment such as that of Esquipulas.

In Cuba and China, for example, the Constitution itself expressly states that the Communist Party is in charge of the state and of the entire society. Consequently, the military and security agencies obey the Party, and their soldiers, noncommissioned officers, and officers receive exclusive politico-ideological training from the Party.

But in Nicaragua there is a different institutional framework and some democratic commitments and agreements that the FSLN itself has signed. For example, in Nicaragua the Constitution has had to stipulate the right of other parties to accede to power through electoral means, and the FSLN is not even mentioned. Nor does it have any legal standing with the military. But the FSLN has political instructors in the Armed Forces; military personnel must be party members and support the FSLN if they want to be promoted, and worse yet, if they want to stay in the Armed Forces; military personnel are required to attend FSLN events, and the National Directorate considers the 250,000 votes of military personnel to be its exclusive right; it uses the Ministry of the Interior (MINT) to control the citizenry.

In addition, the war did not end up being between the United States and Nicaragua, but between Nicaraguans themselves, aided by foreign countries. And this war is practically over. To deny the civil nature of this war over

the last 10 years, because of external support, is tantamount to denying the civil nature of the war against Somoza, just because the FSLN received major foreign aid in 1978-79, including foreign combatants (Panamanians, Colombians, Chileans, etc). The threat of a direct attack by the United States has subsided considerably, and some might even reach the conclusion that it has ceased to exist.

The fact is that there are regional commitments (Esquipulas, etc.) and there have been changes in the U.S. Government that leave no doubt as to the following: If the FSLN makes progress in the democratic process that it pledged to put in motion (free elections, political freedoms, etc.), the danger of direct aggression by the United States becomes even more remote. This is true first of all because it would lose its raison d'etre, secondly because the entire rest of the world would object (which has practically happened already), and thirdly because in the United States itself the Congress, not to mention the entire populace, would object.

As a result, the agreements that the FSLN itself has signed have invalidated the main premises of its own military doctrine, unless it plans to renege on those commitments.

Moreover, looking at the situation of the Armed Forces from the perspective of the country's economy, given that foreign aid has been reduced to a minimum and the country is in its worst crisis yet, the FSLN National Directorate is still imposing forced recruitment on a massive basis, violating the most elementary ratio of military troops to the capacities of the productive rear guard.

During World War II, Hitler's Germany mobilized 16 percent of the population during the entire war. The FSLN National Directorate, in the last 10 years, has tried to come close to those percentages, according to reports by high-ranking deserters.

Stalin, the supreme commander of the Soviet military during World War II, told S. Shtemenko, chief of the General Staff, the following:

"Such a high percentage of mobilization suggests either ignorance of the objective laws of the conduct of war, or adventurism. Most likely the latter." ("The General Staff During the War," Progress Publishers, Moscow, 1977).

The crisis and the economic disaster were caused by the excessive military mobilization, and that crisis, in turn, led to the absurdity of the FSLN National Directorate's military doctrine: to drown the invader in a sea of troops and militias until it is completely defeated. That was the National Directorate's plan, and 10 years later it has translated into the following: The Armed Forces have drowned and suffocated the national economy.

Furthermore, we must reach the conclusion that in negating the National Directorate's military doctrine, we should bear in mind that the hundreds of thousands of soldiers and their interests require a mature and rational response to avoid linking their fate to the continued power of the FSLN National Directorate.

* Defense Siphons Resources

32480189b Managua LA PRENSA in Spanish 8 Jul 89 p 2

[Text] The Nicaraguan economy has faced serious imbalances since 1979. Indeed, production has declined substantially, by a third of what it was in that year; exports cover only about 25 percent of the need for imports; consumption has fallen by over 70 percent; and inflation has surged with increasing strength since 1985. In 1988 the country was hit by a hyperinflationary process, as prices of the basic basket rose by more than 50 percent a month. According to official figures, annual inflation amounted to 33,000 percent, setting a world record in the history of inflation.

This situation of hyperinflation and recession can be explained by various factors: On the one hand, there is the decline in private investment and production as a result of increased economic risk, confiscations, and falling labor productivity; on the other hand, there is the reduction of exports and external credit, especially in the last 3 years; and finally, there is the increase in public spending, due primarily to an excessive growth of the state apparatus.

In the area of civil service, the number of public employees has grown in comparison with the number recorded in the previous regime.

By the same token, the volume of public expenditure is also affected by the disproportionate size of the Armed Forces (read: Sandinist Popular Army) and of the Interior Ministry. With the passage of time, military spending has grown in importance, and the military has enjoyed a competitive edge in the competition for scarce consumer goods with the civilian population and for capital goods, machinery, and equipment with private industry and even state enterprises. Within this same context, the growth and volume of the Armed Forces absorbed the young labor force, creating crises during peak demand periods (December, January, and February) when export crops such as coffee and cotton needed to be harvested.

Thus, a publication by the INIES [Economic and Social Research Institute] entitled "Nicaragua, Structural Changes, and Economic Policies 1979-1987," makes note of the fact that 250,000 men were involved in the Armed Forces. In 1988, that same publication estimated the economically active population (PEA) at 1,168,000 people, which meant that the military was absorbing more than 20 percent of the population that was of working and producing age. These men and women, who

were engaged in warfare and security activities, of course required construction, military equipment, vehicles, fuel, food, clothing, shoes, and housing. To meet these needs, the government has used external credit, donations, and internal financing, that is, credit from the Central Bank.

This latter recourse has been used primarily to cover the current expenses of the military and security apparatus: food, shoes, clothing, fuel, and possibly military construction.

The government was financing part of military spending with the taxes levied on consumers and businesses, but as that spending rose, beginning in 1984, it had to make use of the Central Bank's printing press to crank out restamped bills and new bills. According to the aforementioned INIES study, in 1985 the budget deficit (spending not covered by taxes) was practically equal to defense spending. In addition, this spending amounted to 21 percent of the GDP in 1985, meaning that for every cordoba of production, more than 20 centavos was spent and invested in the Armed Forces, which do not produce any economic good or service for society. That is an overwhelming burden for an underdeveloped, poor economy to bear.

On the other hand, INFORPRESS CENTROAMERICANA, in its analysis of the region for 1988, observes that defense spending doubled from 20.4 percent of the National Budget in 1980 to 46.3 percent in 1987.

In concrete terms, this means, according to the INIES data, that in 1985 the Armed Forces consumed 10 percent of basic grains, 19 percent of national textile production, 30 percent of shoes and leather, 5 percent of paper, 18 percent of metalworking production, 8 percent of plastic production, and between 20 and 60 percent of construction materials and the fishing fleet of the country. It is clear that as production fell and military spending rose in subsequent years, the Armed Forces' share of consumption as a function of the GDP increased, with the consequent deterioration of the civilian population's standard of living.

In view of the inflation-recession situation described above, the Sandinist government embarked in 1988 on an economic stabilization and adjustment plan. It consisted primarily of devaluating the currency against the dollar, freezing wages, reducing bank credit, raising interest rates, and cutting public spending.

For this purpose, ministries were merged, the payroll was cut back, and excess personnel in state enterprises were laid off.

More than 20,000 public employees were laid off, although the state apparatus was still much, much larger than it had been under the previous regime.

As a complementary measure, there was a salary freeze or only a slight increase in the pay received by the civil servants who managed to hang onto their jobs. As for the Armed Forces, the Sandinists did not opt for a policy of true austerity, but rather continued recruiting youths into military service.

The most noteworthy move was to freeze the pay of soldiers and junior officers to encourage requests for discharges. To be sure, not many have asked to be cashiered, given the limited job opportunities. Moreover, perquisites and privilege were retained as the exclusive prerogative of high-ranking officers.

In contrast, the FSLN has shown a willingness to sacrifice the budget for health and education, which is manifested in the accelerated deterioration of these services that are so vital to the population.

If defense spending represents at least 46 percent of the National Budget and more than 20 percent of the GDP, and if the Armed Forces employ 250,000 young people (1 in every 5 people of working age), no stabilization or production recovery plan will have any chance of success.

This suggests that sooner or later, military spending will have to be reordered in such a way as to bring it in line with the country's productive capacity. In this regard, it is worth noting that according to Richard Millet ("Guardians of the Dynasty," EDUCA, 1979), the Somoza regime, which was known for its militarist orientation, spent US $28 million on defense and security in 1975, which amounted to 11 percent of the National Budget; and had 6,914 officers and soldiers under arms that same year, in an economy with higher levels of exports, production, and productivity.

* FSLN Wins Military Vote

32480189b Managua LA PRENSA in Spanish 8 Jul 89 p 2

[Text] In anticipation of the electoral process that is to begin in the coming months in this country, the matter of military personnel is of fundamental importance for all political sectors in the country. This is true for a number of reasons:

First of all, we are talking about an activity that directly involves some 250,000 people,[1] all of whom are eligible to participate actively in the elections next year. The current Electoral Law stipulates this eligibility in spite of strong opposition from the vast majority of the country's political sectors. This means that the military represents a larger contingent of voters than that registered in any region of the country in the November 1984 elections, with the exception of Managua. Thus, for example, according to the Supreme Electoral Tribunal, 215,644

votes were cast in the departments of Leon and Chinandega, and 212,015 votes in those of Granada, Masaya, Carazo and Rivas, the most heavily populated regions of the country.

The second reason is that Nicaragua's economic capacity is insufficient to sustain such a large apparatus, which absorbs 1/5 of the country's labor force and consumes more than 10 percent of national production.[2]

This means that one of the first tasks the newly elected government will have to face is the reduction of military spending and personnel to levels that are, if not commensurate with, at least tolerable for our precarious economy. And the political organizations that participate in the electoral contest, including the Sandinists, should make proposals in this regard.

Finally, the high degree of control and influence exercised by the government party in this sector through four mechanisms (ideological education, salaries, perquisites, and force) places the opposition at an obvious disadvantage. The opposition parties will have to "walk on eggshells" to win at least a significant portion of the votes in that constituency.

In analyzing the composition of the Armed Forces, it is easy to conclude that as a group they are not a homogeneous whole. In other words, the mechanisms of control and influence operate unequally within the apparatus; some require more perquisites and others more force. In this connection, three clearly defined blocs can be identified:

1. The military caste made up of the officers and party officials linked to the Army and the Interior Ministry. As for the number, in the majority of the Armed Forces of other countries the number of officers is less than 10 percent of the total troops, meaning that here in Nicaragua there should be a maximum of 25,000 men. This group is characterized by a strong ideological commitment to the regime, with a certain tendency to deteriorate, as evidenced by the increasing frequency of desertions by high-ranking officers. The salary is nothing out of the ordinary, but the perquisites are cushy, ranging from houses, cars, and special bonuses for the diplomatic store, to private clubs.

2. The junior officers, noncommissioned officers, and professional soldiers, together with the caste mentioned above, make up the permanent forces. They number between 95,000 and 115,000.[3] They are primarily young peasants, students of limited means, or simply people without other employment alternatives for whom this job, though very low paying, provides an opportunity for free education, clothing, and an AFA [Rice, Beans, and Sugar Package]; and if they behave well, they get a few cans of Soviet goods, admission to the stadium, and a ticket or two to see a popular singer.

3. Finally, the rest of the 250,000 military personnel, numbering between 110,000 and 130,000 troops, most of whom have been recruited into the forces and are subjected to a prison-like existence. Most of these troops are in Active Military Service, and the rest are in the Reserve. Their pay consists of clothing and sometimes a little aid and some perquisites, just passes to visit their families. In ideological terms, the Sandinist influence is quite weak, since they tend to imitate their families' social behavior, generally opposition-oriented.

As can be seen in this list, the Sandinists have managed to maintain the cohesion of the military apparatus by manipulating the various mechanisms, but emphasizing one of them at each level: perquisites for officers, bread for the rest of the permanent forces, and coercion for the Military Service and Reserve recruits ("prebenda," "pan," and "palo," the three P's).

This system has yielded results for the Sandinists. At the highest echelon, despite the continued desertions by high-ranking officers and the relative deterioration of the ability to provide perquisites, stemming from the deepening economic crisis, the structures are still intact and there is no sign of significant decay. While the rest of the permanent forces, junior officers, noncoms, and soldiers, have seen their consumption capacity fall sharply, the very depth of the crisis has contributed to their remaining at their posts because it would be difficult for them to find any other job opportunity. With regard to the Military Service and the Reserve, the significant decline in military activity in recent months has facilitated recruitment and the control of the recruits, simply because there is less risk; some even think the service is the only short-term option to avoid the proliferation of youth gangs.

Given the upcoming elections, the government can be expected to continue using and even refining these mechanisms, even at the cost of abandoning the stabilization program it is pursuing, as the inflationary process accelerates through increased military spending.

From the opposition's point of view, there are two possibilities: One would be to direct efforts solely toward winning the votes of the Military Service recruits and those mobilized in the Reserve, that is, 50 percent of the Armed Forces; the main point here is to make sure the military vote is not cast in the barracks, but at the individual's permanent residence. In addition, specific steps should be proposed for the demobilization of the troops or the conversion of the Compulsory Military Service (SMO) into a civil service obligation that could be fulfilled in small towns, churches, cooperatives, the Red Cross, fire stations, etc.

The other possibility would be to reach out to the noncoms and soldiers as well. For this purpose, the opposition would have to make a very specific proposal about what the new government would do with the entire military apparatus, what would happen to the soldiers

and policemen. Would they become unemployed immediately? Would they lose their houses? Would they be guaranteed a decent wage while they looked for work? What specific programs would there be? Giving land to those who want it? Intensive training programs to enable them to begin doing productive work right away?

Footnotes

1. INIES. "Nicaragua, Structural Changes and Economic Policies, 1979-1987."

2. INFORPRESS CENTROAMERICANA. "Central America 1988."

3. Based on data compiled by the Inter-American Institute of Agricultural Sciences-Latin American School of Social Sciences (IICA-FLACSO). "Central America: The Crisis in Statistics."

Panama

Tripartite Dialogue Resumes; Sides 'Optimistic'

PA1408162489 Panama City ACAN in Spanish 1550 GMT 14 Aug 89

[Text] Panama City, 14 Aug (ACAN-EFE)—The Panamanian Government, the Panama Defense Forces [FDP], and the opposition this morning resumed the OAS-sponsored dialogue that was interrupted 10 days ago.

Upon his arrival at the meeting, Carlos Duque, progovernment political leader and former presidential candidate for the National Liberation Coalition in the annuled 7 May elections, said that he was resuming the negotiations with a "positive and optimistic attitude."

Similar sentiments were expressed by the main leader of the opposition, Guillermo Endara, candidate in the recent elections and self-proclaimed "president-elect."

As on previous occasions, the FDP representatives Lieutenant Colonels Julio Ow Young, Armando Palacios Gondola, and Luis Cordoba, did not make statements to the press prior to the meeting.

For the first time, the dialogue is being held without the presence of the OAS mediating mission led by Ecuadoran Foreign Minister Diego Cordovez. However, the meeting is being attended by OAS Secretariat delegate Guillermo Bell.

During the last meeting on 4 August, the opposition suggested holding a plebiscite on 20 August in which the people would be asked to choose from among the various solutions to the crisis suggested by the participants at the dialogue.

Panamanian President Manuel Solis Palma and General Manuel Antonio Noriega, Panama's "strongman" and commander in chief of the FDP, have rejected the idea of a plebiscite.

Talks Resume 'Without Progress'

PA1408212089 Panama City ACAN in Spanish 2015 GMT 14 Aug 89

[Excerpts] Panama City, 14 Aug (ACAN-EFE)—The Panamanian Government and opposition today resumed the dialogue, interrupted 10 days ago, but the first session ended "without progress," according to the regime's foes. [passage omitted]

Panamanian opposition leader Guillermo Endara said today at the end of this morning's meeting with the military and the government that "there was no progress" in the dialogue.

The other participants left this morning's session without making any comments to the press, although the meeting lasted more than 2 hours, and merely announced that the meeting will continue in the afternoon and that there is no date for the end of the negotiations.

The resumed talks were attended by top OAS official William Bell.

Attending the meeting are Romulo Escobar Bethancourt for the government; Colonels Julio Ow Young, Armando Palacios Gondola, and Luis Cordoba for the Panama Defense Forces; Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford for the opposition; and Carlos Duque, Ramon Siero, and Aquilio Boyd for the progovernment parties. [passage omitted]

This is the first time the meeting is being held without the presence of the OAS mediation commission headed by Ecuadoran Foreign Minister Diego Cordovez.

'Negotiated Solution' Being Sought

PA1508005889 Panama City Televisora Nacional in Spanish 2338 GMT 14 Aug 89

[Text] With the participation of all the parties involved, the tripartite dialogue being held under the auspices of the OAS was resumed this morning. The dialogue seeks to find a negotiated solution to the country's current political situation.

Upon arrival at the Vallarino Building, the site of the dialogue, PRD [Democratic Revolutionary Party] President Carlos Duque Jaen told newsmen that they hope to achieve progress in the negotiations and that the cordial climate will be maintained.

For his part, Dr Romulo Escobar Bethancourt, the government's representative in the dialogue, said he did not know how the situation had evolved, since they had

not met for several days, but said that they would discuss the various topics to see if there has been any change in the position of the parties involved.

At the end of the morning's negotiation sessions, Carlos Duque Jaen was broached by newsmen concerning the speech delivered recently by Panamanian Foreign Minister Jorge Ritter before the UN Security Council. He said it was a firm response to White House Press Secretary Marlin Fitzwater, who said that the U.S. military maneuvers in Panamanian territory are designed to secure the U.S. access to and the right to protect the canal.

Dialogue Leads to Prisoner Release

PA1508040589 Panama City ACAN in Spanish 0217 GMT 15 Aug 89

[Excerpts] Panama City, 14 Aug (ACAN-EFE)—The release of four political prisoners was the first result of the dialogue that was resumed in Panama City today by government, military, and opposition representatives, who agreed to meet again on Wednesday.

Panamanian opposition leader Guillermo Endara announced today that the authorities had ordered the release of four government opponents who were arrested over the past few days, as a result of a request by the opposition leaders when the dialogue resumed.

Moreover, the government presented today a proposal to jointly condemn "the U.S. military maneuvers" in Panama, but it was rejected by the opposition leaders, who demanded the inclusion in this proposal of an "overall solution" to the internal political problems of Panama, according to Endara. [passage omitted]

During one of today's sessions, Colonel Julio Ow Young announced the release of the detainees following a series of negotiations conducted by Romulo Escobar Bethancourt, government representative at the dialogue, with President Manuel Solis Palma.

According to Endara, those who will be released are: Ivan Romero, secretary of the Christian Democratic Party (PDC); Ramon Lima, legal adviser of the PDC president; Nuria Velarde, a university student and leader of the PDC Youth; and Indalecio Mendoza.

The parties agreed to suspend the talks tomorrow, 15 August, to commemorate the anniversary of Panama City's founding and the 75th anniversary of the Panama Canal's inauguration.

The proposal presented today by the progovernment parties condemns the "shameless U.S. military maneuvers" and it states that "they must end immediately."

The proposal adds that "it is not fair or appropriate, logical or moral, that while the participants of the dialogue are holding meetings to try to seek formulas for coexistence and for the welfare of the nation, the U.S. troops, whose mission is to protect and defend the canal, are stepping beyond the limits of the canal agreements and are unnecessarily creating a climate of war and confrontation along the banks of the canal itself."

Endara said that the opposition leaders will refuse to sign the document "unless there is a package that includes an overall solution to the internal political problems of Panama."

During today's meeting, the Panamanian military representatives showed the opposition leaders video tapes of the U.S. military maneuvers. The opposition leaders made no comments and just thanked the Panama Defense Forces for keeping them informed about the matter.

According to Endara, today's discussions were of a "philosophical" nature because concepts such as "national sovereignty" and "popular sovereignty" were reviewed to prepare for the next meetings.

Those who attended the meeting were Romulo Escobar Bethancourt, on behalf of the government; Julio Ow Young, Armando Palacios Gondola, and Luis Cordoba, on behalf of the Panama Defense Forces; Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, on behalf of the opposition; and Carlos Duque, Ramon Sieiro, and Aquilino Boyd, on behalf of the progovernment political parties.

U.S. Soldiers Involved in 'Provocative Action'

PA1308151589 Panama City LA REPUBLICA DOMINICAL in Spanish 13 Aug 89 p 2-A

[Report by Jorge Calvo]

[Text] In a new intimidating and provocative action, four U.S. soldiers committed an outrage and pointed their guns at four Panama Tourism Institute [IPAT] representatives who were on their way to change the Panamanian flag atop Ancon Hill, a flag whose red quarter is torn.

The four IPAT representatives, Marcos Donado, Atanasio Estrada, Gerardo Pierce, and Jaime Botello, were detained when they reached the Quarry Heights checkpoint.

Donado, IPAT general services and security director, reported: "They pointed their guns at our chests. We told them we wanted to change the Panamanian flag. They shoved us and began to mock us, and spoke obscenities in English and Spanish."

Estrada dropped a comb. When he stooped to pick it up, the soldiers put the muzzle of a rifle on the nape of his neck in an act of imtimidation which, instead of frightening us, angered us and filled us with pride for our homeland, Donado said.

"A Puerto Rican soldier, forgetting they are looked down upon by the Yankees as a subrace, told us that if we had much trouble with the flag they could remove it and put a different one in its place, obviously referring to the flag of their Yankee masters, which is stained with the blood of innocent victims of the peoples of America, Asia, and the rest of the world," Donado added.

Finally, Donado said: "We raised that flag during the commemoration of General Omar Torrijos' death on 31 July. We want the Panamanian people to know that we will go to Ancon Hill to change that flag on 14 August. Should anything happen to us, we will hold responsible the Southern Command soldiers on duty at the access to Ancon Hill."

Reportage on Student Violence, University Classes

University To Resume Classes

PA1308144889 Panama City Domestic Service in Spanish 1100 GMT 13 Aug 89

[Text] The University of Panama general secretariat hereby advises the students and faculty that the University General Council has decided that classes on the campus will resume on 16 August 1989. Classes at the schools that were not closed will continue as usual.

Students Set Fire to Building

PA1408173189 Hamburg DPA in Spanish 1651 GMT 14 Aug 89

[Text] Panama City, 14 Aug (DPA)—Two leaders of the Christian Democratic Party [PDC] of Panama have been under arrest for the past 24 hours, PDC Vice President Guillermo Cochez has charged.

According to Cochez, Ivan Romero, secretary general of the opposition party, and the party's legal adviser, Ralph de Lima, were arrested while distributing PDC propaganda in the area of Sabanitas, 76 km from this capital, in Colon Province, the country's second largest province.

In the city of Colon, students from a secondary school today set fire to the provincial government building and to several official vehicles during a demonstration through the main streets of that city.

Rioting in Colon 14 August

PA1408193189 Panama City ACAN in Spanish 1815 GMT 14 Aug 89

[Text] Panama City, 14 Aug (ACAN-EFE)—Students from Colon, the second largest city in Panama, today hurled "Molotov" cocktails and stones at official vehicles and buildings to protest the U.S. military maneuvers on the isthmus and the Panama Defense Forces [FDP] led by General Manuel Antonio Noriega.

According to eyewitnesses, approximately 100 demonstrators were dispersed by FDP riot police.

Up to now, there have been no reports of injuries or arrests in this city located 79 km to the north of the capital.

Classes in many of the schools of the capital and other cities resumed today after they were suspended on 3 August following street disturbances in which one student was killed.

According to reports, the Colon disturbances began when the youths blocked the road linking the city with the rest of the country while shouting slogans against FDP repression in recent student demonstrations.

The eyewitnesses added that the students also protested the continual U.S. military maneuvers on Panamanian territory that have provoked serious incidents between the two countries' armies during the last few weeks.

On 3 August, students from the two state-run universities and from one school in the capital demonstrated against the government and against Ecuadoran Foreign Minister Diego Cordovez, president of an OAS mission mediating the serious Panamanian political crisis.

The Education Ministry, in a communique released today, warned that it will take necessary "administrative, legal, and economic measures" to ensure a "complete school year," and announced that it will indefinitely close "those schools where public order is upset."

Spanish TV Crew Detained

PA1508003789 Panama City ACAN in Spanish 2240 GMT 14 Aug 89

[Text] Panama City, 14 Aug (ACAN-EFE)—A Spanish television crew (TVE) that was covering a student demonstration in the city of Colon was detained today by the Panama Defense Forces [FDP]. Meanwhile, a Colombian journalist had problems entering the country, according to the sources affected.

Spanish TVE correspondent Francisco Navarrete told ACAN-EFE that he and other members of his crew, two Mexicans and a Panamanian, were detained for approximately 3 hours in a garrison in Colon, 79 km north of the Panamanian capital. He said that a cassette was taken from them and that they were subjected to interrogation.

The Spanish television crew went from the capital to Colon this morning to cover the disturbances staged by students who threw "molotov cocktails" and stones at government offices and vehicles.

Also, newsman Carlos Ruiz of Colombian Cadena Radial (Caracol), told ACAN-EFE that he had problems entering Panama. He initially was told he would be expelled to Bogota, because he had arrived without the proper visa.

However, after his superiors telephoned the Foreign Ministry, just as immigration officials were escorting him to a flight back to Colombia, he was told he could stay, "but only for 3 days."

Ruiz stated that he was also instructed to report to the Media Directorate of the Government and Justice Ministry, where he was first given a temporary permit to conduct his journalistic work. The permit was later taken from him without explanation. It was not possible to obtain an official report on these cases from official Panamanian sources.

Ministry Closes Schools

PA1508031789 Panama City Telemetro Television in Spanish 2300 GMT 14 Aug 89

[Text] The Education Ministry has closed indefinitely three secondary schools, two in Chiriqui Province and one in Colon Province, for participating in disturbances and protests. Education Minister Juan Bosco Bernal said that the schools that were closed are the David Institute, the Felix Olivares Institute, and the Professional and Technical Institute of Colon. He warned that the ministry maintains unchanged its decision to close any school that disrupts tranquillity.

[Begin recording] [Bernal] The Education Ministry firmly reiterates its decision to suspend classes indefinitely in those schools that engage in activities that disrupt the school's operation and affect the adequate education process. In view of this, we have been forced to take such measures with two schools in the city of David and one in the city of Colon where classes have been suspended indefinitely because of the incidents that have occurred there. These have been regrettable incidents, such as those that occurred this morning in Colon, provoked by a group of students of the Professional and Technical Institute of that city.

[Reporter] Have any direct sanctions been imposed on the students?

[Bernal] The ministry has instructed school directors to conduct the appropriate investigations and to apply the school's internal regulations, which provide for the application of disciplinary measures against students who have committed wrongdoings against the school. These actions have been encouraged by persons, in and outside of the schools, who seek to disrupt public order and who have an obvious, expressly political and partisan interest. [end recording]

Soldiers' Group Issues 'Panama Declaration'

PA1408033789 Panama City CRITICA in Spanish 11 Aug 89 pp 1, 14

["Text" of the "Panama Declaration" issued by OMIDELAC (Organization of Soldiers for Democracy, Integration, and Libe.ation of Latin America and the Caribbean—Organizacion de Militares por la Democracia, la Integracion, y la Liberacion de America Latina y el Caribe, in Panama City on 10 August]

[Text] 1. We reiterate the principles of self-determination by the people and nonintervention, which are norms all states must comply with today. We forcefully condemn the interference of the U.S. Government in the internal affairs of the Republic of Panama. The lack of respect for these principles violates regional peace, stability, and security, which are essential for the process of democratic consolidation and for the complete development of our people.

2. We state that it is the exclusive right of the Panamanian people to designate its government leaders according to the country's constitution.

3. We proclaim our solidarity with the Panamanian people for the fulfillment of the Torrijos-Carter treaties signed in 1977 and we u.ge the United States to comply with the treaties in all their terms and parts. We also urge the governments of Latin America and the Caribbean to show effective solidarity. They must remain alert and take actions in support of Panama in view of the continuous and proven violations of the treaties in the present and probably in the future.

4. We recognize the need to create a climate of peaceful coexistence and we reject all acts of intimidation and provocation, which violate the sovereignty of Panama.

5. We warn against the increase of dangerous acts of provocation, which may lead to greater incidents that may serve as a pretext for military intervention that could endanger regional peace. Therefore the escalation of acts of provocation must be stopped.

6. We reject the existence of foreign military bases in the region no matter what their origin or motivations.

7. We condemn the excessive accumulation of U.S. military forces in the region and the indications shown by the U.S. Southern Command that it will use the sovereign territory of the Republic of Panama for future military interventions in our countries.

8. We urge the Latin American and Caribbean countries that are members of the OAS to have it adopt resolutions that call for the suspension of the coercive political, economic, diplomatic, psycho-social, and military measures that the U.S. Government is implementing in

Panama, according to the principles and norms established in the organization's charter. The organization should guide its efforts toward normalizing relations between both countries.

9. We reiterate our statements made at the Assembly of Delegates held in Quito, Ecuador on December 1988 concerning the immediate "return of Panama to the Group of Eight, because its unfair separation was a serious political mistake."

10. We condemn the disinformation and slanderous campaign against Panama, its institutions, and leaders designed to distort the real situation and confuse national and international public opinion. We will commit ourselves to countering the disinformation in our countries by making our own statements.

11. We value and support the professional, firm, and prudent attitude of the Panama Defense Forces in safeguarding the sovereignty of the Republic of Panama and the interests of the Panamanian people.

[Dated] 10 August 1989, Panama City

[Signed] Retired Division General Richelieu Levoyer, Ecuador, president; retired General Victor Licandro, Uruguay, vice president; retired Captain Geronimo Cardozo, Uruguay, executive secretary; retired Colonel Luis Perlinger, Argentina, and retired Colonel Cesar Diaz, Argentina, delegates; and others.

Opposition Members Reportedly Detained in Colon
PA1408135189 Panama City ACAN in Spanish 1245 GMT 14 Aug 89

[Text] Panama City, 14 Aug (ACAN-EFE)—Two members of the opposition Christian Democratic Party (PDC) were detained on Sunday by Panama Defense Forces [FDP] members while they distributed the PDC's "Green Star" news bulletin, a party spokesman said.

The source indicated that Ivan Romero, PDC secretary general in Colon Province, and Ramon Lima, a legal adviser, were "detained" in Sabanitas, Colon Province, on the Atlantic Coast while they were distributing PDC bulletins.

A source at the Sabanitas military headquarters told ACAN-EFE that these individuals were taken in to "investigate the origins of some materials in their possession," but he denied that they were detained.

"There has been no arrest. We are talking with them," the source added, after the two opposition members had been at the military headquarters for approximately 2 hours.

Guillermo Cochez, PDC vice president and deputy, said that the arrest took place at 1800 hours, adding that the bulletins they were distributing are legal.

Clergymen Request Lawsuit Against Columnists
PA1508044089 Panama City ACAN in Spanish 2145 GMT 14 Aug 89

[Text] Panama City, 14 Aug (ACAN-EFE)—Panamanian clergymen today asked the Catholic Church authorities to file a lawsuit for slander against columnists of the progovernment newspapers that are edited by the Renovacion Publishing House, Incorporated (ERSA).

According to the clergymen's communique, the request was prompted by "attacks" from the three ERSA newspapers—CRITICA, MATUTINO, and LA REPUBLICA—on Panamanian Archbishop Marcos Gregorio McGrath, who the newspapers accused of being a "traitor" and a "turncoat."

"We asked the Catholic authorities to file a lawsuit for slander against the columnists who write for the ERSA newspapers," it was stated by priests and other Catholic clergymen.

"We have seen with indignation and, at the same time sadness, the lies, slander, and insults that the ERSA newspapers and certain radio commentators have issued time and again against our Catholic leadership," they state.

Catholic Church leaders have been accused by progovernment groups of supporting the opposition's struggle against the Panamanian regime and General Manuel Antonio Noriega, commander of the Panama Defense Forces.

"We have grown accustomed to seeing the complete impunity enjoyed by progovernment media, which say what they want against people and institutions," the clergymen report.

Revenue Office Impounds RPC Radio, TV Assets
PA1508000289 Panama City Circuito RPC Television in Spanish 2323 GMT 14 Aug 89

[Text] The General Directorate of Revenue [DGI] today notified the Panamanian Broadcasting Corporation, Inc. [Corporacion Panamena de Radiodifusion, S.A.]—which owns RPC Radio and RPC Channel 4—that it has impounded all property and bank accounts of the enterprise. Eduardo Perez Arias has been appointed administrator. The impounding has been ordered, despite the fact that an appeal presented by this enterprise is still pending at the DGI.

Former Official Accused of Union Bribe Plans
PA1308185689 Panama City LA REPUBLICA DOMINICAL in Spanish 13 Aug 89 p 1

[Text] Luis Anderson, former labor leader and state minister, has received a sizable amount of money to be distributed, for corruption purposes, among Panamanian labor leaders.

The plan includes bribing labor leaders from the construction and food sectors, the Federation of Shoe, Leather, and Textile Workers, the Puerto Armuelles Workers Union, the Independent Workers Federation, and other labor unions.

The purpose of the bribes is to neutralize the nationalist line that the Panamanian labor unions, especially the militant banana workers union, and the construction workers have upheld. This bribe effort includes a labor organization within which Anderson maintains much influence and which comprises the majority of the workers who work in the returned areas.

One of the persons who brought part of the bribe money, LA REPUBLICA has found out, is Gerardo Castillo, from the Costa Rica branch of the Inter-American Regional Organization of Workers [ORIT]. Castillo, a salaried employee of the North Americans, is the same fellow who got Anderson the post he has right now in the ORIT, which has its headquarters in Mexico City. Castillo now functions as an adviser to Anderson.

Anderson has complained that the Panamanian labor unions have not adopted "more active" positions against the Panamanian Government, and the purpose of the bribe money is to have bribed labor leaders include the Panamanian labor movement in protests, strikes, demonstrations, and more violent demands, LA REPUBLICA has discovered.

Gerardo Castillo has been in Panama before on several occasions, distributing plenty of money.

Argentina

Yugoslav Daily Interviews President Menem

AU1408151989 Belgrade POLITIKA in Serbo-Croatian 6 Aug 89 p 3

[Report on "exclusive" interview with Carlos Saul Menem, by Buenos Aires correspondent Momcilo Pantelic: "I Am Not a New Peron"—date and place not given]

[Text]

It Will Be a Little Bit Worse Before It Gets Better

Under the pressure of an unprecedented crisis, he was given the mandate 5 months early, and started it in the middle of the maelstrom of every day troubles. The first minister of economy has already died, the second has been sued by Venezuela. Menem's son was injured in a car race while other members of his family have been going through a series of medical examinations. Assuming power, he found the state treasury almost empty. Inflation is 114.5 percent a month, the disparity of prices is unbelievable, and food stores are being threatened by hungry people in a country that is one of the biggest producers, consumers, and exporters of food.

Many people expected him to introduce popular measures, but he has introduced the least popular measures in the last 50 years. It will be a little bit worse before it gets better, his associates say. At present, inflation is about 200 percent a month and even considerable salary increases cannot match the price hikes.

[Pantelic] You entered the Argentine and world political scene from your La Rioja. Everybody is talking about the "Menem phenomenon," the unconventionality of your policies, meetings, and personal acts. How would you broadly describe this "phenomenon," and what would you say are its most important, its nicest, and its most difficult moments?

There Is No Menem Phenomenon

[Menem] There is no Menem phenomenon which you have so kindly described. I am a man from the province and I have been brought up a long way from the political superstructure of Buenos Aires. In my province (where he used to work as a lawyer and recently as the governor—authors remark) some 1,200 km northwest from the capital, politics has a more humane and more direct way of expressing itself. I fatefully conducted my presidential campaign in this style and the people felt my messages as fraternal messages. What is referred to as the "phenomenon" in fact, came naturally, spontaneously. People want more direct politics, democracy in which people will participate more, they want a government that is not arrogant and authoritarian.

[Pantelic] Many people consider you to be a "new Peron", while others think of you as a "deperonizer." Where do you see the similarities and differences with the founder of the movement which you are leading today?

[Menem] General Juan Peron (died in 1974—author's remark) is the most important person in Argentine politics in this century. I am certainly not a "new Peron," and even less a "deperonizer," because I have developed and set my views in the Justicialist Party (the popular name of this party is the Peronist party—author's remark) to which I have remained faithful under all circumstances.

Our party has created a movement and this presupposes accepting dialectics, a dynamic adaption to the principle of a changeable reality of society. I simply believe that I am a modern politician of my old and beloved party.

[Pantelic] Peronism has been and remains an enigma for many domestic and foreign researchers. This is partly so because it attracts the people with the most diverse interests, ideologies, and even some extremists. What is in your view the essence of Peronism?

[Menem] I am convinced that it could be demonstrated, strictly respecting historic facts, that Peronism has modernized Argentine politics, starting with the beginning of the 1940's. There are some people who do not understand us, but there are also millions of those who follow our programs and aims. We do not worship everything that has been written in the books. The history of your country is something that is not understood in other parts of the world, but this does not prevent the citizens of Yugoslavia from understanding and judging it correctly. Sometimes I think fetishism exists in culture, fetishism according to which everything that has been published is taken much more seriously than what is verbally said. Chesterton, a famous turn of the century English journalist (and writer—author's remark), once wrote about this theme and said: "...sometimes newspapers are written by the nation's only 'fool.'" Please try to understand this funny remark by a man of the people, such as myself.

Government of National Unity

[Pantelic] You formed your government in such a way that commentators talked about the May elections being won by the Peronist politicians and liberal economists. My impression is that today you are more praised by those who criticized you than those who supported you. Or, is this perhaps a new stage in the search for social balance and national unity, the precondition for the proclaimed "productive revolution?"

[Menem] Throughout my entire campaign I was saying that I would strive to form a government of national unity and that I would include in it the people who could be useful regardless of their political affiliation. The

composition of the ministers in the cabinet meets this condition which, in our view, is of essential importance for carrying out all sound national policies.

[Pantelic] What would you like your mandate to be remembered for? For curbing inflation? If this is the case, how would you tackle the problem of inflation?

[Menem] You have asked me to write my own epitaph. The fact that I was elected means that any ordinary person can become a president of a country such as Argentina if he holds the ideas which his fellow citizens regard as their own. I am a defender of democracy.

[Pantelic] What do you think about the saying that Argentina is not Latin America and Buenos Aires not the real Argentina? For instance, Borges used to say that he was a "European who was accidentally born in Argentina." You are Argentina's first president of non-Latin (Arab) origin. What is your view of Argentina's identity?

[Menem] The great Marti (a 19th century Cuban poet and writer—author's remark) used to say that "intelligence is part of the man but not necessarily his best part." It is difficult to read Borges (famous Argentine writer, died and buried in Geneva in 1986—author's remark) and not to admire his crystal clear and perfect prose. It would not be right to separate him from his exceptionally literal characteristics and transform him into a politician. However, let us not go to extreme. Deep inside Argentina is a very Latin American country, a country that feels very Latin, especially outside the capital city. I invite you to see this for yourself by traveling throughout the country (the country has some 3 million square meters and 32 million inhabitants of which more than one-half live in the city and Province of Buenos Aires—author's remark).

[Pantelic] What is your view of Argentina's real place in the world? Will it use the "third road" to return from the "Third World" to the "First World?" What do you think about foreign debts? How should this problem be solved? How do you assess social eruptions in Venezuela and Argentina that were caused by the very thing both countries have in abundance—oil in Venezuela and food in Argentina?

There Is No Third or First World

[Menem] Allow me to give you a single answer to this question since they are linked. There is no Third or First World. There is only one and magnificent planet on which there is only one wonderful human race. The perverse economic system has created conditions according to which the development of some countries requires the poverty of others. This situation has resulted in economic tensions, such as foreign debt, which have already led to physical violence. Only a new international system, which would fully take into consideration the existence of the single human fate, can solve this problem.

[Pantelic] Will you attend the Belgrade nonaligned summit which is supposed to gather together more than 100 heads of states and governments? What will be the task of the Argentine delegation at that summit? What is your view of relations with Yugoslavia from which several hundred thousands of Argentines originally came?

[Menem] Yugoslavia is not an unknown or distant country for Argentina. Fair or dark haired Argentines of Yugoslav origin can be found everywhere, even in the most remote parts of our country, in the forests or in the Andes, in the middle of the pampas, or fishing in the South Atlantic.

We will attend the Belgrade summit also as, if God permits, the people who are in a way returning to the old hearth of their ancestors. At the summit, we will listen to and learn from the experiences of other countries, and present our message of friendship and express our belief that people's institutions need to be adapted to the changes in humanity. Thank you very much. (Carlos Saul Menem said at the end of the interview. author's remarks)

Foreign Minister on Possible Talks With UK

PY1408190789 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Aug 89

[Text] Foreign Minister Domingo Cavallo has said the government will declare an end to hostilities with the United Kingdom if the gesture is placed within the appropriate context and if it is the result of negotiations that include reciprocal measures by Great Britain.

Cavallo made this statement after attending a ceremony at Government House during which the new Japanese ambassador to Argentina, Yoshio Fujimoto, presented his credentials.

Here is what Cavallo said:

[Begin recording] The president, as well as myself, have clearly stated that we hope the next step in the path to improving relations with the United Kingdom will include a set of decisions from our two countries. Meanwhile, we have decided not to take any new unilateral steps. We think that issues such as an end to hostilities, or an end to the surveillance on British goods and capital in our country, can be discussed within the context of and through negotiations which should also include reciprocal gestures by the United Kingdom. [end recording]

Cavallo said that the Foreign Ministry is in no position to confirm if the two countries' foreign ministers will meet at the United Nations in September, but he added that all negotiations tending to help defend Argentina's rights and improve the two countries bilateral relations will be pursued.

Cavallo concluded by saying that no contacts with the British Foreign Office have taken place to schedule a meeting at the United Nations, but he admitted there has been an exchange of ideas through the two countries' representatives in Brazil.

Finance Minister Announces Talks With IMF

PY1508035089 Buenos Aires Domestic Service in Spanish 0200 GMT 15 Aug 89

[Text] Economy Minister Nestor Rapanelli has said that the negotiations with the IMF will begin at the end of August. He added that the objective of the talks will be to reschedule the payment of the debt that our country owes to that international agency. The minister also gave details of a meeting that he and David Mulford, U.S. assistant secretary of the Treasury, held in Buenos Aires this morning. Rapanelli said that the meeting provided clear and categorical evidence of the positive attitude of the U.S. Department of State [as heard] and of the U.S. President himself, who are supporting this stage of the economic recovery.

Fugitive Army Captain To Appear Before Court

PY1408204889 Buenos Aires TELAM in Spanish 1651 GMT 14 Aug 89

[Text] Buenos Aires, 14 Aug (TELAM)—Former Army Captain Martin Sanchez Zinny, who has been a fugitive from justice since 1988, when he rebelled against his superiors and went underground, today presented himself to the military judge at the Campo de Mayo Institutes.

A reliable source confirmed the news for TELAM and pointed out that Capt Sanchez has been placed at the disposal of the judge who will hear the case.

It has also been reported that the military judge decided to allow Capt Sanchez to remain free, provided he attend all the meetings to which he is called in keeping with Article 316 of the Military Justice Code.

Army Chief of Staff General Isidro Caceres will order Capt Sanchez be reinstated into the Army in order to stand trial.

Bolivia

Peru's Garcia on Offer of Duty-Free Zones

PY1108183089 La Paz PRESENCIA in Spanish 6 Aug 89 p 7

[Excerpts] Peruvian President Alan Garcia Perez yesterday said that "Peru will always support Bolivia," referring to the landlocked situation imposed on that country by Chile in 1879, after an unjust war. He said that a "concrete and definite solution must be found to Bolivia's problem of having no access to the Pacific Coast." [passage omitted]

The young Peruvian president, who arrived in Bolivia at 1830 yesterday accompanied by a large delegation of Peruvian officials and journalists, said that he had come to Bolivia "to ratify Peru's decision to offer all the necessary facilities to establish the duty-free zones that Bolivia needs for its trade, economy, and development." [passage omitted]

Alan Garcia chatted with Peruvian and Bolivian journalists at the El Alto Airport, as well as at Government House, about subjects related to the foreign debt of impoverished nations, drug trafficking, the Bolivian-Peruvian bilateral agreements, and the possibility of a summit to discuss Latin American integration. [passage omitted]

Garcia labeled "important" the talks about the international foreign debt problem by the chiefs of state visiting La Paz, and he said that "we must all admit that it is better to collect a little, no matter how little, than nothing at all."

He explained that under the current circumstances it is wrong to believe that the presidents of Argentina, Brazil, Peru, Paraguay, Uruguay, and Bolivia, currently meeting in this capital, will issue a joint declaration. He added that "talks have not matured to that point."

He asserted that: "The fact is that all the countries will obtain a significant reduction of their debts. The creditors, the commercial banking sector, and the rich countries are aware that they will not be able to collect the debt under the current interest rates and in the amount they believe we owe them."

He said that in the next few months we will see how the debts are reduced by the creditors, without imposing any conditions on the economic policies as some analysts believe.

President Garcia said that "this is a realistic attitude regarding the debtor's ability to pay."

He insisted: "we are going to hold a meeting with all the presidents currently visiting La Paz to discuss this subject, which should be the priority concern of any Latin American leader. We must discuss our financial relationship with the rest of the world and the burden of the usurous foreign debt, which is hindering the development of our countries."

IDB Grants $950,000 Loan for Tax Reform Program

PY1108192889 La Paz EL DIARIO in Spanish 6 Aug 89 p 5

[Text] The last government act of President Paz Estenssoro's administration was to sign an agreement with the Inter-American Development Bank, IDB, for a nonreimbursable $950,000 loan to be used in a Bolivian tax

reform program. This loan, together with other loans made by the World Bank and the United Nations for the project, will total $4 million.

IDB President Enrique Iglesias and other IDB officials attended the ceremony at which the agreement was signed.

Iglesias signed the pertinent documents on behalf of the IDB, and Planning Minister Fernando Romero and Finance Minister Ramiro Cabezas signed them on behalf of the Bolivian Government. [passage omitted]

Brazil

Sarney Calls Protectionism 'International Plot'

FL1108191789 Paramaribo International Service in English 1730 GMT 11 Aug 89

[Text] The time of [words indistinct] developing countries by the industrialized world has passed, and the future of the region depends on joint struggle. This was stated by Brazilian President Jose Sarney last Wednesday [9 August] during a banquet in honor of visiting Surinamese president to Brazil, Ramsewak Shankar. Sarney criticized the protectionism by industrial countries which he characterized as an international plot against developing countries. The Brazilian president further emphasized the good relations between his country and Suriname.

This is the first time that a Surinamese president pays an official visit to our southern neighbor.

Purchase of Nuclear Materials Reported

PY1508030089 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Aug 89 p A-11

[By special correspondent in Luxembourg Tania Malheiros]

[Excerpts] The National Commission for Nuclear Energy (CNEN) owes approximately $10 million to Luxembourg's Gradel Corporation. The debt was contracted in 1981, when the CNEN purchased nuclear material produced by Gradel. The commission has never reported this purchase. The CNEN, which is a self-managed institution subordinate to the Presidency, has transferred approximately $1.2 million to Luxemburg annually in order to meet this obligation. [passage omitted]

Gradel director Eugene Biver has said that his company supplies equipment to countries of Euratom (European Nuclear Energy Community), which was formed by France, Luxembourg, the Netherlands, the FRG, and Belgium. Euratom was founded in 1958, and its headquarters is in Brussels. It was recently joined by Portugal, Spain, Italy, Greece, Denmark, Ireland, and the United Kingdom.

In 1981, when CNEN and Gradel closed their deal, the commission started operating four secret bank accounts, which were known as "Deltas," as reported by FOLHA DE SAO PAULO in 1986. The funds in those accounts were used for the parallel nuclear program. They have not yet been closed; they remain open under other names.

In 1981, the CNEN and the Navy began assembling the Aramar experimental center in Ipero (125 km west of Sao Pualo). The center enriches uranium for use by the first Brazilian nuclear submarine. The center is not under the supervision of the International Atomic Energy Agency (IAEA), in Vienna, Austria.

Special Defensive Equipment To Be Produced

PY1508004089 Rio de Janeiro O GLOBO in Portuguese 14 Aug 89 p 17

[Text] Sao Paulo—The Army Staff and the Sao Paulo State Federation of Industries (FIESP) will arrange to produce military equipment in Brazil for defense against chemical, biological, and nuclear weapons. In the next few days an Army staff officer will meet at the FIESP with industrialists who want to produce equipment such as automatic chemical agent detectors, signal systems for contaminated areas, decontamination pumps, stretchers, rain power meters [calculador de potencia de precipitacao], and radioactivity simulators.

Nelson Abbud Joao, director of FIEFP's industrial promotion department (DMI), has said that the Army is getting ready to face situations like the accident with Cesium-137 in Goiania, when it had to import radioactivity control equipment. Businessman Mauro Daffre of Protin, Individual Protection Equipment, who is the president of the Union of Job Protection and Safety Industries, has stressed that Brazilian industry can meet the needs of the Army, including the production of nuclear protection equipment.

The products that the Army wants to be produced in Brazil are, among others, rapid chemical decontamination gloves, self-injecting syringes, protective clothing, and adhesive detection paper.

* Obstacles to VLS Development Reviewed

33420073 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jul 89 p G-3

[Text] The U.S. boycott on the export of components necessary for the development of Brazil's Satellite Launch Vehicle (VLS) has become intensified during recent months, harming the program. The chief of the VSL program, engineer Jayme Boscov, aged 56, remarked: "The fact is that the U.S. doesn't want to see Brazil make technical progress in space." The reason for the U.S. boycott is the fear that the technology used to make the rocket could be used to manufacture a medium-range ballistic missile capable of carrying an atomic bomb.

Although the U.S. boycott has been carried out with the leading industrialized countries, fortunately for the program developed by the Space Activities Institute (IAE, an organ of the Aeronautics Ministry's Aerospace Technology Center [CTA]) the French have not been so inflexible. Space cooperation with France is by now traditional. For example, the Brazilian base at Barreira do Inferno (RN [Rio Grande do Norte]) is helping with the flight control of the Ariane rockets launched from Kourou, in French Guiana. But the French have not issued a blank check for the transfer of technology, and funds are not always available (see subsequent text).

The U.S. has argued using the recent example of India to justify the ban on the "proliferation" of ballistic missiles in the Third World. On 22 May, the Indians launched the Agni ("Fire"), a ballistic missile with an estimated range of 2,500 km. India has also constructed satellite launch rockets using the same basic technology. An older Brazilian rocket, the Sonda-2, was the basis for AVIBRAS' [Avibras Aerospace Industry, Inc] creation of its models for military use. The subsequent projects, Sonda-3 and Sonda-4, are essential to the development of the VLS.

Boscov notes that India's case is different, because it is a country with border problems that has already embarked upon war with its neighbors in the recent past. In the first place, Boscov points out, there has been a government policy for producing a missile, and heclaims that the Brazilian Government has already made it clear that the VLS project has no military purpose. He maintains: "There must be trust between governments. Any authority can come here and check the use that we are making of all the imported equipment. We can't give more of a guarantee than that."

The U.S. boycott has been so intense that even nonsensitive equipment for aeronautical use has been denied IAE. But what has been most detrimental to the development of the VLS is the ban on electronic components for control of the vehicle and engineering services. In the area of propulsion for the rocket, which will use solid fuel, the boycott has not had such a serious effect. Developing the components that are lacking in the country will take time and have a high cost.

The VLS was due to be ready this year, based on the original timetable, but the first flight has been postponed until 1992. According to Boscov, the timetable was prepared before there was any idea of the launch complexity. This is why he is annoyed when they compare the development stage of the VLS with that of the Data Collection Satellite (SCD-1) that it is intended to transport. The SCD-1, made by the National Institute of Space Research (INPE), could be ready by the year's end. It is a 115-kg satellite designed to collect data sent by land platforms and to retransmit them to a central station. Compared with it, the VLS, a rocket 18.8 meters tall with a mass of 50 tons at takeoff, "is infinitely more complex," claims the engineer.

This complexity is reflected in over 8,000 meters of electrical wiring and 70,000 different components, according to Boscov. There are four stages, with a total of seven engines. The first stage consists of four S-43 engines installed around another similar engine of the second stage. There are two more engines (S-40 and S-44) in the other two stages. Most of the electronic equipment for control and guidance of the rocket is located in the last of these.

[Box] Who Is Jayme Boscov?

Engineer Jayme Boscov is the chief of the Projects Dvivision and of the VLS Project at the Space Activities Institute of the Aerospace Technology Center (IAE/CTA). He was trained at the Aeronautical Technology Institute (ITA), also under CTA, in 1959. Then he worked 10 years for the aerospace sector in France, where he participated in the development of ballistic missiles. He came to IAE in 1969 to work on the Sonda-3 rocket project.

Critical Test Threatened the Program

The program for construction of the Satellite Launch Vehicle (VIS) might have come to a regrettable end this year, had there been a failure in the flight of its reduced version (VLS-R2) on 18 May. This is the conclusion drawn by the VLS project chief, engineer Jayme Boscov, himself. The launch was a success, but the occasion was marked by anxiety: "Four years' work that could have become a nightmare within seconds," as he put it. The discouragement of the team and the authorities as well, after a failure, might have jeopardized the entire effort expended up until that time.

The VLS-R2 was a version three times smaller than the launch. The main purpose of the mission was to test the separation system for the four first stage engines by means of pneumatic pistons. The previous reduced model, VLS-R1, had a different configuration; hence the importance of the May flight.

Another critical mission on the VLS timetable was that of the fourth prototype of the Sonda-4 rocket, on 28 April. Most of the essential technologies for the VLS (materials, structure, thrust control, separation of stages and payload, etc.) are being tested in the five models of the Sonda-4 series. The final rocket, number five, is due to be launched at the end of 1990. The flight of the third prototype, on 8 October 1987, had a problem, because the stages were not separated. The cause was a defective relay (a simple device for controlling an electrical circuit), and it was corrected in the fourth model. The erroneous press report that there had been an explosion contributed to the creation of a tense atmosphere at CTA.

The next step in the development of the VLS is the beginning, set for August, of the vibration test in a full-scale mockup of part of the rocket. It is due to last 6

months, and is important for enabling the technicians to differentiate between the ordinary vibrations of the system and abnormal disturbances. The rocket has an inertial power plant consisting of various sensors that pick up the disturbances. If these data are not known, the rocket could explode.

Ex-Officials Criticize Type of Rocket

Certain technicians who previously worked at the Space Activities Institute and who are currently engaged in private industry or in other government agencies claim that the delay in the VLS timetable has not been caused merely by the flight of personnel, lack of funds, and foreign boycott. They say that the delay also stems from "technical errors" in the project. One of the "errors" cited by the technicians who left is the configuration of the first stage of the rocket, consisting of four added engines. They criticize this configuration, noting that it requires a volume of steel three times larger than what would have been necessary had a single more powerful engine been used. In this case, more steel means more weight and the need for more fuel, as well as greater difficulty in the engineering design.

Engineer Jayme Boscov says that the option for the four engines is a result of the lack of facilities in the national industrial complex to produce turbines over 1 meter in diameter. He claims that the model selected lies "within the limit" of the country's tooling and thermal treatment capacity.

Another criticism relates to the use of solid fuel instead of liquid fuel, which is more effective from an energy standpoint. The engineer responded that the development of liquid fuel is more expensive and difficult.

Flight of Technicians and Lack of Funds Will Delay Flight

The Satellite Launch Vehicle (VLS) may not even be ready by 1992, as planned, if the Space Activities Institute (IAE) fails to receive a supplementary budget and procures no permission to hire technicians. This prediction was made by Aviator Lt Col Tiago da Silva Ribeiro, aged 44, deputy technical director of IAE, and engineer Jayme Boscov, chief of the VLS project. The initial timetable called for the rocket to launch the first Brazilian satellite as early as this year.

Of the $600 million (nearly 1.8 billon new cruzados) scheduled to be turned over to IAE for the manufacture of the VLS by 1989, as had been stipulated 10 years earlier by the Brazilian Commission for Space Activities (COBAE), the agency has received only $170 million to date. According to Lieutenant Colonel Ribeiro, this year alone, the VLS project underwent a 55 percent cut in its budget. Engineer Boscov claims that the money will not suffice to contract for all the equipment and services necessary to carry out the project based on the timetable. He claims that the funds only guarantee the agency's vegetative existence and the contracts with national enterprises, such as Cofab and Composit, which will supply the structure for the four stages of the VLS.

The contracts for the importing of foreign components and services (mainly from France) for the rocket have already been totally suspended for lack of funds. The principal components that were supposed to have been purchased this year are part of the VLS pyrotechnical system, which is used for ignition of the engines and separation of the rocket stages, and the inertial platform used to guide the VLS in space, according to the planned flight path.

The lack of funds has also impeded the contracting of engineering services, such as the aerodynamic testing of the rocket prototype in a large-sized wind tunnel, abroad. According to Boscov, the imported components, after purchase, take 18 months for delivery. If the purchase is not made by December the timetable will be shattered.

Another serious problem claimed by Boscov and Lieutenant Colonel Ribeiro to be threatening the development of the VLS is the flight of technicians associated with the program, who have not been replaced since 1987. The hiring of employees by the federal administration and the organs linked to it is banned. Since admissions were frozen CTA has lost over 150 employees out of a staff of nearly 4,000.

Nearly half of those who have left consisted of highly specialized researchers and technicians. This year alone, the team assigned to the VLS project lost eight of its best scientists, in Boscov's opinion (he thinks that "the most brilliant always leave"), because of good job offers in private industry.

According to the engineer, what motivates the professional to remain at CTA is the fact that "every day there is a new challenge," prompted by the need for technological development, whereas a job in a company would be more routine. He claims that the sector was already in "desperate" need of 100 technicians a year and a half ago. Boscov noted that the necessary team had even been selected at the time, but was not hired for lack of regulations in the common laws dealing with the area.

The engineer remarked that, without the hiring of new technicians, the team remaining at IAE has been forced to deploy itself, discharging various duties. As he maintained, this sacrifices experienced specialists, who must be used to run programs or do research on new projects. According to Boscov, the "lack of fresh blood" at IAE will cause an increasingly wider gap between the highly experienced technicians and those without any experience.

In addition to the lack of specialists, the VLS project chief says that those remaining "earn very little," because CTA is subject to the same salary policy that the

government applies to public departments. Boscov asserted that the agency, which develops leading edge technology, could never be bound to this policy. In his view, CTA should hire and fire based on the technical requirements. Boscov says that the salary in the agency is adequate only for engineers with under 5 years of practice. The others would earn more in private industry.

Government Reduces Wheat Subsidy, Price

PY1508033889 Brasilia Domestic Service in Portuguese 2200 GMT 14 Aug 89

[By Sonia Silgueiras]

[Excerpts] The Brazilian Government today readjusted by 29 percent the price of a ton of wheat and reduced the National Treasury subsidy on the price of wheat from 46 to 18 percent. The readjustment, which was published in a SUNAB [National Superintendency of Supplies] bulletin, is aimed at reducing the difference between the price the government paid for Brazilian and imported wheat and the subsidized sale price. The amount of the subsidy had exceeded levels previously forecast. [passage omitted]

The increase in the price of flour will result in an immediate increase in the price of pasta, cookies, and bread, which had been kept under control through the Cost, Profit, and Expenses Policy. For the time being, the price of the small French loaf will continue to be the same, but the government will probably announce an increase in its price in the next few days.

Itaipu Dam Ceremony To Inaugurate 15th Turbine

PY1008020789 Rio de Janeiro O GLOBO (Economic Section) in Portuguese 9 Aug 89 p 20

[Summary] Foz do Iguacu, Parana State—Itaipu Binational put into operation the dam's 15th turbine during a ceremony held at 1440 yesterday. The dam is now producing 10.5 million kw, which makes it the largest in the world.

Chile

Swearing-in of New Cabinet Delayed Until 17 Aug

PY1508010089 Santiago Domestic Service in Spanish 2300 GMT 14 Aug 89

[Text] A source from La Moneda Palace has reported that the new cabinet will take the oath at noon on Thursday, 17 August. Initial reports indicated last week that the ceremony would take place on 16 August at 1800 local time. The source explained that the swearing-in of the new cabinet will be delayed by 1 day because President Pinochet, upon returning to Government House on 16 August after recovering from his operation, will have a heavy agenda. On that day the chief executive will hold several meetings and preside over a ceremony at the [word indistinct].

[Madrid EFE in Spanish at 2216 GMT on 14 August carries a similar report which also states: "Official sources have indicated that Economy Minister Pablo Barahona, Labor Minister Guillermo Arthur, and Public Works Minister Bruno Siebert will be replaced. The reason for these changes is to allow the ministers to run for the Senate in the congressional elections on 14 December 1989."]

Supreme Court Justice Octavio Miranda Resigns

PY1508014489 Santiago Domestic Service in Spanish 2300 GMT 14 Aug 89

[Excerpt] Justice Octavio Miranda, chairman of the fourth chamber of the Supreme Court, has resigned. He has done so to take advantage of Law 1805, by which Supreme Court justices who retire voluntarily at the age of 65 or more years, with 30 or more years of service, get a special bonus of 14 million pesos. [passage omitted]

National Party Secretary Ochagavia Resigns

PY1408212089 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 14 Aug 89

[Text] Fernando Ochagavia has resigned the vice presidency of the National Party [PN]. Ochagavia explained that his decision is irrevocable and is a result of his failure to unite the center-right. Ochagavia added that he tried his best to unite the center-right sector but, as the people have already learned, he was unable to do so. He said that when a person fails to fulfill a mission that has been entrusted to him, that person must resign his position. Today, therefore, he tendered his irrevocable resignation as PN vice president.

Lautaro Front Members Rob Bank, Service Station

PY1408214889 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 14 Aug 89

[Text] Criminals stole 3.5 million pesos from a service station and a bank in Santiago.

A group of six individuals—including a woman—robbed the Bank of Chile branch on the corner of Sao Paulo and Soto Mayor Streets. The group, who carried rifles, threatened bank employees and clients and stole nearly 1.5 million pesos, according to the first account. The woman fired at the guard, and after getting him to surrender she took his weapon.

The individuals left pamphlets of the terrorist Lautaro Front and fled on foot. The group later got into a vehicle and escaped toward northeast Santiago.

In another incident, three criminals, including a woman, held up a (Kopec) filling station and stole 2 million pesos. The criminals threatened the station attendant and stole the money that was about to be carried away by

an armored car. The criminals escaped in a taxi, firing shots to discourage any attempt at following them. The vehicle was later abandoned in Santa Adriana shantytown.

Health Under Secretary Discusses AIDS Cases

PY1408204289 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 14 Aug 89

[Excerpt] Health Under Secretary Doctor Augusto Schuster has reported that 160 cases of AIDS have been registered in the country, and that 59 of these patients have already died. Dr Schuster added that 26 of the patients still alive are less than 18 years old.

Dr Schuster made these remarks to refute unofficial reports of a larger number of cases. [passage omitted]

Ecuador

Relations Set With St Vincent, Grenadines

PA1308221389 Quito EL COMERCIO in Spanish 1 Aug 89 p A-3

[Summary] The Ecuadoran Foreign Ministry issued a communique to report that Ecuador and St Vincent and the Grenadines initiated formal diplomatic relations today and that nonresident ambassadors will be designated immediately. The communique added that these relations will further the development of trade and economic and cultural activities between both countries.

Government Uncovers 'Destabilization Plan'

PA1408144089 Hamburg DPA in Spanish 1858 GMT 10 Aug 89

[Text] Quito, 10 August (DPA)—The Ecuadoran Government announced today that it had arrested seven members of the "Free Homeland Montoneras" movement, the only subversive group currently operating in Ecuador. The government also announced that it has thwarted a vast destabilization plan that included the kidnapping of journalists.

Police agents confiscated "a large number of weapons" at the rebels hiding place, which supposedly, was used by top rebel leaders.

"Free Homeland Montoneras" is an offshoot of the "Alfaro Lives" group, which layed down its weapons and abandoned insurgency after a "peace agreement" was reached at the beginning of the year with the Social Democratic Government of President Rodrigo Borja.

The Montoneras—a group reportedly very small in number—rejected the peace agreement, saying that it represented "submission" and that they would continue the struggle.

Interior Minister Andres Vallejo stated that the announcement of the arrests was a "harsh blow" to subversion. He added that the government remains willing to hold a dialogue "to attain peace treaties" and warned that officials will not allow the destabilization "of a peaceful country that we intend to keep that way."

The government did not provide details on the rebel group's plans or give the names of the journalists they intended to kidnap.

Spanish Businessman Kidnapped 9 Aug

PA1208133189 Quito Voz de los Andes in Spanish 1200 GMT 11 Aug 89

[Text] Spanish businessman Pablo Martin Berrocal was kidnapped the night of 9 August, Government Minister Andres Vallejo has reported. The ministry has given us this information:

The police this afternoon reported that, after learning of the alleged kidnapping of Berrocal, director of the corporation Plaza de Toros Quito, an investigation was begun to locate the victim and identify the kidnappers. According to preliminary reports, a taxi that was taking Berrocal to the Quito hotel was intercepted at Abraham Lincoln Street and 12 October Avenue at 1945 by six men in police uniforms, who got out of a four-wheel drive vehicle. Four of them, who had submachineguns, forced Berrocal to get in their vehicle and fled in an unknown direction. The two other men forced the driver to take them to a thicket in Bella Vista, where they left him after gagging him and giving him certain instructions.

After considerable time, the driver escaped and reported the incident to the police. Immediately, members of the special investigations unit and other police services began an inquiry to determine the criminals' identities and rescue the victim, the report concluded.

Paraguay

General Souto Sworn In as Defense Minister

PY1408220489 Asuncion ULTIMA HORA in Spanish 14 Aug 89 p 13

[Excerpt] This morning, General Angel Juan Souto Hernandez was sworn in as the new defense minister, replacing General Adolfo Samaniego. The ceremony was attended by President General Andres Rodriguez, Dr Domingo Laino, Dr Jorge Dario Cristaldo, Dr Fernando Vera, Dr Euclides Acevedo, and several congressmen. [passage omitted]

New Labor Group Created, Officials Elected

PY1408191689 Asuncion ABC COLOR in Spanish 14 Aug 89 p 11

[Excerpts] Yesterday Victor Baez Mosqueira, head of slate No 2, was elected first president of the United Labor Federation (CUT) [Central Unitaria de Trabajadores]. The election took place after the CUT foundation ceremony at the Lions Club in the Bernardino Caballero neighborhood. Baez Mosqueira's ticket beat slate No 1 headed by Silvio Ferreira by 229 votes to 117. Eight delegates did not vote and one vote was annulled. Representatives of three world labor organizations attended the meeting: The International Confederation of Free Trade Organizations, (CIOSL), the World Trade Confederation (FSM), and the World Confederation of Workers (CMT). [passage omitted]

The winning ticket is headed by Victor Baez Mosqueira, Alan Flores, Bernardo Rojas, and Carlos Filizzola. The ticket that lost was headed by Silvio Ferreira, Samuel Frutos, Jose Delvalle, and Victor Bareiro. [passage omitted]

Authentic MOPOCO Elects Executive Committee

PY1408172689 Asuncion EL DIARIO in Spanish 14 Aug 89 p 5

[Text] The Authentic Colorado Popular Movement (Authentic MOPOCO) yesterday held its first convention to elect its National Executive Committee. The 216 delegates elected Ruben Acosta president, Ramon Becker vice president, Marcos Alvares secretary general, Hugo Lovera organization secretary, Emilio Reynal international affairs secretary, Gerardo Lopez public relations secretary, and Milan Prado finance secretary.

Representatives of the MDP [Popular Democratic Movement] and the PRF [Febrerista Revolutionary Party] and other political organizations sent their support to the new movement.

Peru

Armed Forces Arrest Miners on Eve of Strike

PY1408033489 Madrid EFE in Spanish 0047 GMT 14 Aug 89

[Text] Lima, 13 Aug (EFE)—A spokesman for the miners today reported in Lima that Peruvian soldiers have arrested at least 22 miners, including 4 regional leaders, on the eve of the miners national strike, which is scheduled to begin on 14 August. There are approximately 100,000 miners in Peru.

The spokesman told EFE that the soldiers arrested miners at the La Oroya, Morococha, Casa Palca, and Austria-Duvalz mining camps in the central part of the mountain range. In Lima, the police are looking for the main leaders of the miners.

The Federation of Miners and Metalworkers has called a national strike for 14 August to pressure the courts into ruling in favor of a "single national list of demands," which will allow the federation to represent all Peruvian miners at the discussions of labor and salary issues.

On Friday, 11 August, the Peruvian Government ordered Army soldiers and Navy marines to guard mining camps in order to prevent possible attacks and sabotage during the strike, the first this year.

Terrorists have attacked several mines lately and have killed approximately 12 miners, including Saul Cantoral, secretary general of the federation.

The miners went on strike for almost 100 days last year. That strike caused losses estimated at $500 million, one-third of Peru's overall mining exports.

The strike will affect Central Peruvian Mining Enterprise, the largest state-owned corporation; the U.S. company Southern Peru Copper Corporation, which exploits 75 percent of the Peruvian copper; and the Ilo refinery, the second largest in Peru.

Airfield Under Construction To Aid Drug Fight

PY1208123089 Lima EL COMERCIO in Spanish 3 Aug 89 p A-12

[Text] A 500-meter-long landing strip—able to accommodate heavy military aircraft, such as the Buffalos or Antonovs of the Peruvian Air Force—is under construction in Alto Huallaga as part of a base being built by the National Police to fight drug trafficking.

A high-ranking officer of the Drug Police Directorate of the General Police (formerly the CC) said that the approximately 30-meter-wide airstrip is located in Santa Lucia across from the Progreso District, Province of Rocache (San Martin).

The location of the airstrip is strategic not only for fighting bands of drug traffickers but also for fighting subversives who have established themselves there to defend the illegal coca growers and to protect the drug trafficking mafia.

The construction of the airfield has been undertaken through an agreement between the Peruvian and U.S. Governments. It will make it possible for the DEA (Drug Enforcement Agency) and General Police (DIPOD) to operate more safely in San Martin and Huanuco Departments.

As soon as the runway is completed, military airplanes carrying supplies and important police and military groups will be able to land in the area.

The construction of the base is in its initial stage, involving work over a 40-hectare area. There will be second, third, and final stages, details of which have not been disclosed.

The high-ranking DIPOD officer also indicated that the equipment for communications and personnel transport—by both land and river—will be reinforced in order to achieve greater coordination and mobility.

The DIPOD officer said: "Since February 1989, when the construction work began, helicopter operations against drug trafficking in Alto Huallaga have been reduced somewhat, but they will be continued as soon as the reinforcement of the base is completed."

Our source said that orders have been issued to increase the number of General Police antinarcotics personnel in Alto Huallaga. They will be based at the aforementioned base in Santa Lucia.

This personnel is currently being trained by General Police instructors, who are supported by U.S. DEA advisers, in the town of Mazamari, Satipo Province (Junin Department).

Asked why the Peruvian and U.S. antidrug forces have changed their base of operations from Tingo Maria to the base now under construction, our source explained that it was because Santa Lucia is considered the "hub" of drug trafficking.

The source said that this site is considered to be a key spot for launching a more forceful offensive against drug traffickers who operate in Alto Huallaga, because from here it is easier to detect drug traffickers hiding in the thick forest that extends from Tingo Maria to Campanilla, Jauja district (Junin). The source also noted that the antidrug police base "Mayor Alejandro Rojas Troche" in Tingo Maria was poorly located in a strategic sense because the helicopters operating out of this base could only fly in one direction and could thus be easily intercepted.

From the airfield in the new location, however, helicopters will be able to take off in any direction and will not be so easily intercepted by drug traffickers or subversives.

This officer also said that a three-axle armored vehicle donated by the British Government to the National Police is currently being used in repressive actions in Alto Huallaga.

"With that vehicle we can be more aggressive in approaching the drug traffickers' positions, and more risky operations can be undertaken," the officer explained.

It is worth noting that the Peruvian drug traffickers in Alto Huallaga are the ones who are supplying the raw material, the cocaine paste, to Colombian drug traffickers.

The Colombian drug traffickers violate Peruvian airspace using small aircraft and twin-engine airplanes. They land on clandestine airstrips in Alto Huallaga and load their airplanes with cocaine paste after making substantial payments in dollars.

It is presumed that more than 100 clandestine laboratories for processing cocaine paste are hidden in the jungle areas of San Martin and Huanuco Departments.

Finally, it has been reported that the number of helicopters that the U.S. State Department supplies to the DEA agents—and therefore to the National Police—will soon be increased as part of a large-scale antinarcotics operation that will be carried out in this convulsed area.

Statistics Institute Updates Inflation Rate

PY1108235289 Lima EL COMERCIO in Spanish 2 Aug 89 p 1

[Summary] National Statistics Institute (INE) Director Felix Murillo has announced that the accumulated inflation rate over the first 7 months of the year stands at 748 percent. He also revealed that inflation over the past 12 months ending in July stands at 5,549 percent.

Terrorists Murder Policeman in Chulcampa

PY1208133789 Madrid EFE in Spanish 0258 GMT 12 Aug 89

[Text] Chulcampa, Peru, 11 Aug (EFE)—National Police spokesman have reported that alleged Shining Path members murdered a policeman today.

The police reported that Police Corporal Saul Zauni Salcedo, 48 years old, was held up by two individuals wearing ski masks. He was shot in the head twice and his pistol was stolen. The two attackers shouted slogans praising the Shining Path.

Another Shining Path group set a pickup truck belonging to the Dutch-Peruvian Agricultural Cooperative on fire, in Llircay, Huancavelica today.

The police reported that about a dozen terrorists intercepted the pickup and forced its occupants, including two engineers, to get out of the vehicle. They were threatened with death if they continued to work in the agricultural project.

Chulcampa is located in Ayacucho Department, 576 km southeast of Lima, and is adjacent to Huancavelica.

Shining Path members also murdered two other policemen in the Peruvian jungle in the last 48 hours.

The armed struggle which the Shining Path began in 1980 is already responsible for the death of at least 15,000 people, including civilians and military personnel. The material losses, according to official figures, are estimated at $12 million.

Presumed Shining Path Members Kill Six

PY1408122689 Madrid EFE in Spanish 0339 GMT 13 Aug 89

[Text] According to a police report today, six people—including four local officials—were murdered by presumed members of the terrorist group Shining Path in the Peruvian village of Quinches, Yauyos Province.

In the early morning hours of 11 August, some 20 militants of the Maoist organization woke up the population by detonating dynamite sticks. The terrorists then gathered the 200 villagers in the town's main square.

According to the source, the terrorists then separated out the judge, the police chief, the local governor and his deputy, and two peasants and shot them. After doing this, the terrorists shouted vivas to Shining Path and fled the area.

More than 15,000 people have been killed as a consequence of terrorism in Peru since Shining Path began its armed struggle in 1980.

Uruguay

U.S. Extradition Request for Argentine Approved

PY1108114089 Madrid EFE in Spanish 2105 GMT 10 Aug 89

[Excerpt] Montevideo, 10 Aug (EFE)—Police sources today reported that Uruguay has approved an extradition request filed by the United States for an Argentine citizen allegedly involved in the laundering of "narcodollars" for Colombia's "Medellin Cartel."

Raul Vivas, a 38-year-old Argentine citizen, was detained in February 1989 by the Uruguayan police at the request of the U.S. Federal Bureau of Investigation (FBI).

Vivas had filed a claim over the alleged robbery of $35,000 from one of his companies involved in money exchange, gold, and real estate operations.

It was learned during the investigation that the Argentine citizen was wanted by the International Police (INTERPOL) through a request filed by the FBI and the California State courts.

According to information the FBI sent to the Uruguayan courts as part of the extradition request, Vivas is involved in laundering $250 million from drug trafficking operations. [passage omitted]

Israeli Envoy Comments on Hostages, Peace Plan

PY1208145789 Montevideo Radio Carve in Spanish 0930 GMT 12 Aug 89

[Excerpt] Israeli Ambassador-at-Large Natani'el Laroche has confirmed Israel's willingness to negotiate the release of the hostages in Lebanon.

In Montevideo on a brief visit, the diplomat was received by Foreign Minister Luis Barrios Tassano, President Julio Maria Sanguinetti, and other Uruguayan officials.

[Begin Laroche recording] I am here in my capacity as special envoy to brief Uruguayan authorities on the peace plan proposed by my government over the past few months.

I have had a very cordial meeting with President Sanguinetti and Minister Tassano and plan to hold a few other meetings. It is unfortunately a very brief visit, but I still have to visit a few other countries on the continent. [passage omitted] [end recording]

Foreign Minister Views Central American Situation

PY1408234089 Montevideo EL DIA in Spanish 10 Aug 89 p 8

[Excerpt] Foreign Minister Luis Barrios Tassano announced on 9 August that the Foreign Ministry has saved more than $3 million through its spending reduction plan, which has also allowed the ministry to raise its income. The minister reported that he is working on the agenda for President Julio Sanguinetti's visit to Japan.

Barrios Tassano said that dialogue has been important to the progress made in Panama and in Central America, and he added that "Uruguay can be satisfied with its contribution."

In statements after a ceremony during which Jorge Talice took over as Foreign Ministry under secretary, Barrios Tassano spoke about the Panamanian issue. He said "the new fact is that both sides are holding talks. Whenever there is a dialogue, there are possibilities and hopes for peaceful solutions to conflicts. This position has been traditional for Uruguayan foreign policy."

The minister expressed his satisfaction over the Uruguayan participation in the OAS decision that led to "a solution to the Panamanian crisis, so that the Panamanian people can solve their problems for themselves."

Barrios Tassano also stressed the accords that the Central American presidents reached for disarming the Nicaraguan contras. "Through dialogue it has been possible to overcome, or at least to take the first steps toward overcoming, one of the most irritating issues in the Central American conflict. It is a positive step. The accord reached by the 5 presidents reflects a revitalization of the spirit of Esquipulas II. Consequently, peace in

the region seems closer and more feasible. This initiative is part of a pacification effort that is fortunately made all over the world." [passage omitted]

Venezuela

Decree Protects 200-Meter Area of Gas Pipeline

PA1408035389 Caracas EL NACIONAL in Spanish 2 Aug 89 p D-6

[Text] An official decree has established the necessary protection for gas pipelines in the country's central area in the wake of the proliferation of ranches and other more valuable construction that have created a security crisis over the past few years in areas along gas pipelines, which have in turn demanded heavy expenditures to detour the course of the pipelines.

The land along CORPOVEN's [Venezuelan Petroleum Corporation] gas pipeline in the central area, which supplies Caracas and other cities, have been invaded and affected in recent years by squatters, as well as by the construction of new houses and developments. This has not only hampered maintenance operations, but has generated so much insecurity that CORPOVEN was forced to lay down new pipelines at a very high cost; furthermore, they were unjustified. People have grown accustomed to building near the gas pipelines unaware of the possible danger they are facing.

A sufficiently explicit legal provision to end this behavior was lacking. A 200-meter area along both sides of the CORPOVEN gas pipeline in areas between Charallave and Guacara, Charallave and the Tejerias Compression Plant, and Tejerias and Valencia have been declared the "Area for the Protection of Public Works" through a decree issued by the national chief executive.

The measure also protects a 50-meter area along both sides of secondary lines of the main pipeline. This will allow CORPOVEN to guarantee normal gas transportation operations, prevent accidents involving people, and preserve renewable natural resources in the areas crossed by the pipelines.

Within the protected area, all kinds of occupation and land use, except for maintenance facilities, are banned within a 15-meter strip along both sides of the pipeline. The decree empowers the energy and mines minister to reduce the size of such strips when the pipeline crosses inhabited areas.

Another rule establishes a 15-meter protected strip along both sides of the pipeline where certain agricultural, livestock, and forest activities are allowed. All kinds of activities, except those involving the use of explosives, are permitted in the remainder of the 200-meter area.

The area for the protection of public works includes territory under the jurisdiction of the Districts of Cristobal Rojas and Guaicaipuro, Miranda State; Ricaurte, Marino, and Girardoto, Aragua State; and Guacara and Valencia, Carabobo State.

As is apparent by the areas covered, the decree is designed to protect the final stretch of the Nurgas pipeline system that carries large volumes of gas from its eastern source to the country's north-central area. Because of its size and importance, this system cannot be subjected to any danger or detours as a result of invasions, as has been the case in various places, especially in Caracas suburbs and nearby areas. It is understood that there will be other decrees to protect areas crossed by gas and oil pipelines that grant privileges to the facilities and property of the petroleum industry over the people's property inside the strips set aside to protect pipelines that carry hydrocarbons.

Industrial Production Drops in 2d Quarter

PA1408184289 Hamburg DPA in Spanish 1405 GMT 10 Aug 89

[Text] Caracas, 10 Aug (DPA)—According to a survey published in Caracas today, Venezuela's industrial production suffered a 52.83 percent drop during the 2d quarter of this year as a result of a steep drop in demand and high interest rates.

According to the survey conducted by the Venezuelan Council of Industry (CONINDUSTRIA) in the manufacturing sector, a majority of industrialists (64.92 percent) reported a drop in production, 12.08 percent reported an increase, and 23 percent managed to maintain previous production levels.

CONINDUSTRIA attributes the drop to the declining purchasing power of a great number of Venezuelans caused by a number of economic measures taken by the government of President Carlos Andres Perez.

According to CONINDUSTRIA President Ernesto Navarro Ruiz, this is compounded by high interest rates, declining demand, and current problems in the legal system.

Only the metal industry registered an increase in production while declines were reported in the food, textile, wood, paper, and chemical industries.

According to the survey, this drop has made many in the business community pessimistic at a time when Venezuelan businessmen are making decisions on future investments. In this regard, 44.04 percent announced that they would cut investments, 32.17 said they would increase investments, and 23.79 percent said that they would maintain investment at current levels.

*** COPEI Predicts Doubling of Unemployment**
33480238a Caracas EL NACIONAL in Spanish
26 Jun 89 p D-4

[Article by Ada Urribarri: "Uzcategui: Economic Adjustments Favor Continuity of Debt Repayment"]

[Text] "The government has said in a statement to the IMF that the program of economic adjustments previously recommended and now being implemented has produced negative effects in all areas of national life. Therefore we should not wait for the resulting problems to get worse before making the necessary changes in this program."

This was stated by Jose Miguel Uzcategui, an economist and member of COPEI [Social Christian Party], in analyzing the quarterly report made by the administration of President Perez, in accordance with the letter of intent signed with the IMF.

Uzcategui said: "The first evaluation, known as the 'Memorandum of Understanding,' followed a visit made by an IMF technical mission. It was turned over on 24 April 1989. It recognizes that the program of adjustments has had a negative impact on the growth of gross domestic product, on private investment, on unemployment, and most especially on the rate of inflation."

He added: "At the same time the government reaffirmed its commitment not to adjust salaries across the board, not to return to a program of exchange control, to keep rates of interest at high levels, to reduce the scope of the basic market basket of goods subject to control and regulation, and to continue with the policy of freeing prices as well as the policy of effective industrial retrenchment in order to increase nontraditional exports."

He was asked for his view on where these commitments are likely to lead.

He replied: "This whole complex of commitments to adjustments in the domestic economy is aimed at ensuring a better position in the balance of payments which will favor the continuation of international debt payments, such as the previous government did.

"In this area we have reached the extreme point of committing to the service of the external debt 45 percent of export income. On the basis of estimates for this year it has been determined that this debt service will reach 57 percent of the value of all exports of nonfactorial goods and services."

Economic Realities

The economic cabinet, which met on 19 June, estimated that the inflation rate would be about 70 percent this year, also indicating that a lower rate is hoped for which would make it possible to meet the control objectives which have been planned. It also expressed its hope of implementing a program of employment and a tariff policy, among other things, to ensure the success of the "prescribed" program of adjustments.

Therefore, Uzcategui indicated that the estimates made by the government's economic team did not reflect reality.

He said: "The new estimates by the government include, in the first place, inflation, which is expected to reach 62.2 percent on an annual basis, whereas in the letter of intent it is indicated that the inflation rate will be about 45 percent. Regarding the growth of the gross national product, it was originally hoped that there would be a real, positive growth of 2 percent, not including petroleum. Now it is estimated that GNP will decline by 4 percent. However, in our opinion, the decline will be closer to 10 percent.

"In terms of the deficit in the balance of payments on current account the government continues to estimate it at $3 billion and counts on being able to finance it with resources coming from international financial organizations (the IMF, the World Bank, and the IDB [Inter-American Development Bank])."

He continued: "According to the government, unemployment, as a result of the fall in GNP, will increase by 170,000. Our estimates place it at double this figure by virtue of the bankruptcy of many small- and medium-sized companies which have not been able to compensate or adapt themselves to the situation resulting from the treatment of letters of credit, the high rates of interest, and now the new picture presented by foreign trade."

Democratic Danger

Uzcategui compared the present program of economic adjustments to those applied in the countries of the southern cone (Argentina, Chile, and Uruguay) between 1975 and 1981. These programs, in turn, led to chaotic imbalances and very high social costs typical of the neoliberal models recommended by the IMF.

Uzcategui said: "President Perez does not wish to recognize neoliberal ideology as his economic model, perhaps because he rejects the linkage which those economic policies had with the military governments which tried to apply precisely those programs of the IMF.

"What is clear is that the political foundations of the Venezuelan Government, in terms of its economic program, are rather weak, since not even the government party supports it. It would seem that a period of transition has been authorized to see the results."

He was asked whether, perhaps, the rumors of a military coup d'etat are based on this consideration.

He replied: "Businessmen have given the government lip service but do not believe in its programs. Like what happened to Martinez de Hoz (Argentine minister of economy at the end of the 1970's), businessmen are providing support which is contradicted by their behavior in terms of investment, private indebtedness, confidence in the national currency, and attitude toward the workers of their companies."

He continued: "The prospects are not very much encouraged by the expectations which they have of the new labor and monetary legislation, due to the dampening effects of monetary policy, the increasing cost of money, and the improvisations in tariff reforms recently implemented, as the industrial sector has confessed. In principle they virtually gave a blank check to trade policy."

He stated: "I think that the government is looking for the support of the opposition to share the political cost of the package of economic measures already adopted. This is because it knows about the deterioration of its credibility and the ferment of social restlessness which has been fed by its mistaken economic policy."

Shock Versus Gradualism

When asked about the analyses which COPEI has been making about the package of economic measures, Uzcategui indicated that the Social Christian Party has not limited itself to criticism of the government's economic model. He said: "We are developing alternative choices which oppose the program of commitments in the letter of intent signed jointly with the IMF."

He stated: "I think that there are many people, and the surveys show this, who have come to the conclusion that the dilemma presented by the government and the Roraima Group of shock versus gradualism is false. This would be the same thing as saying that a misdiagnosed patient only has the alternative of taking four pills instead of two to deal with his pain, thus prolonging the time for treatment.

"The studies which we are making indicate to us that the government could and should use more frequently and in better combinations the instruments of fiscal, monetary, foreign exchange, and industrial policy. This would make it possible to achieve results different from those recorded up to now. For example, this could be done with industrial policy, which has not been defined."

By way of conclusion, the current president of the movement of professional and technical specialists stated that the government "is using a model in which the market, with all of its imperfections, determines the objectives of development, without the government's being required to set out the basic, strategic lines of policy which should be applied."

*** Rodriguez Acknowledges Rise in Unemployment**

33480238b Caracas EL NACIONAL in Spanish 27 Jun 89 p D-7

[Article by Rafael Palacio D.: "Minister of Coordination and Planning: Unemployment Has Increased, but We Are Controlling Inflation"]

[Text] Miguel Rodriguez, minister of state for coordination and planning, said on 26 June during his speech at the Fourth Congress of Finance Executives that, according to preliminary estimates, the index of unemployment has increased in the course of the last 4 months. To some extent this development was foreseen as part of the process of readjustments in the economy. However, at the same time there has been a decline in the inflation rate. In June the increase in the rate compared to May was estimated at barely 2.5 percent.

Rodriguez made a presentation at the congress, which was organized by the Venezuelan Institute of Finance Executives (IVEF). He presented a number of official positions on the role of the state in the economic development of the country. He also referred to the loans recently approved by the IMF. In this connection he said that the resources obtained under this loan would come directly into the Central Bank of Venezuela in the form of credits to strengthen—on the one hand—the international reserves of the country and to finance—on the other hand—the requirements of the domestic private sector through the commercial banks. At the beginning of his speech he repeated the need to change the role of the public sector in productive institutions until it succeeded in turning itself exclusively into the promoter of development.

He said: "The results of the program of economic adjustments have been good, despite the explosion in prices which has taken place due to the unification of exchange rates and the freeing of prices. The exercise of a restrictive budget and monetary policy has made it possible for us to make progress in a significant way in controlling inflation. During the month of July we expect that the inflation rate will be something like 2.5 percent, which means that the adjustments, in an economy where prices are not indexed, are bringing about the effects which were previously foreseen."

Later on he spoke about the efforts being made to put in place a macroeconomic policy which guarantees, among other things, a balance in budgetary accounts and the expansion of sources of government income. To achieve these objectives, it is necessary to implement a tax policy which effectively brings in nonpetroleum income in an effective way and which does not distort the growth of private investment, the direction of budgetary expenditure toward the creation of infrastructure, and the redeployment of state activity through the privatization of public enterprises. Regarding public expenditures, he

stated that the executive branch of the government is preparing a 5-year investment program, which will probably be under discussion within 1 month in the cabinet.

The minister added that the basic points of the government's macroeconomic program, once the first phase of implementation is completed, will be to promote efficiency and productivity, both in the public as well as in the private sector, to reduce to a minimum the levels of discretionary spending by government officials, and to promote competition.

He stated: "We have been faced with the need to design and to begin to implement, beginning in September, a special employment plan to compensate to some extent for the effects in terms of jobs which have followed from this adjustment process. However, over the long term, the government's policy of social expenditure will not give priority to an employment plan, because it will be the private sector itself which is going to demand more manpower and to create the necessary job openings in the coming years."

'Burden of Debt'

Miguel Rodriguez also referred to the use of the resources coming from multilateral financial organizations such as the IMF, the World Bank, and the IDB [Inter-American Development Bank]. When he stressed the "success" of the negotiations, he said that these programs of external financing, together with domestic savings, would constitute the basis which would make it possible to face the future. He said: "However, we should not deceive ourselves by thinking that these resources will make it possible for us to deal with absolute certainty with the challenge which has been presented. It is very necessary for these funds to be invested effectively. The guarantee that such investments are going to be effective is precisely the macroeconomic policy of the government. That is, a competitive foreign exchange rate, a real rate of interest, and a policy of budgetary balance. This will make it possible for the private sector to undertake investment projects in areas where the country has competitive advantages."

He added: "However, in addition there is the fact that we have 'a burden of debt,' a very significant kind of debt exhaustion which we have to resolve. Precisely for that reason over the next few weeks the government is going to begin its negotiations in a more intensive way under the initiative of the Brady Plan, to achieve an effective reduction of the Venezuelan external debt. I am convinced of the success of these efforts. Within a few months we will have clarified the panorama of external financing. Beginning in 1990 we will have an economy characterized by accelerated growth, growing international reserves, and which will be controlling inflation. The Perez Government is working 24 hours a day to achieve these objectives."

Excessive Protection

Asked about the budget deficit estimated for 1989, he said that the deficit is due mainly to foreign exchange losses, which amount to about 5 percent of GNP. He explained that official projections indicate that there could be a budgetary surplus of 1 percent in 1989. Added to the losses due to foreign exchange differentials, this would result in a total deficit of 4 percent. The budget should be in balance in 1990.

In budgetary terms he said that the private sector will need to continue to contribute more, compared to tax income from the public sector. He stated that rates of income tax (ISLR) could eventually decline. However, in any case the most important thing to do is to improve the tax collection systems.

He explained that the only thing lacking is the passage of laws for the collection of income approved by the World Bank and the IMF which provide for the payment of variable "but very low" rates of interest. These resources would be received in the form of loans to the Central Bank of Venezuela to strengthen our reserves and finance plans for industrial reconversion and private investment. On the Labor Law and the law on irremovability of labor he repeated the inconvenient aspects of indexation and of putting a "strait jacket" on the economy.

Finally, he stated that the levels of protection for industry are excessive. He supported his statement by stating that an exchange rate of about 38 bolivares to $1, plus a tariff of 80 percent ad valorem, plus the costs of transportation and insurance, means that the true rate of exchange is around 100 bolivares to $1.

* Tariff Reform Controversy Deemed Unrealistic

33480238c Caracas EL NACIONAL in Spanish
2 Jul 89 p D-9

[Article by Florencia Tovar R.: "Businessmen Should Have No Illusions Regarding Changes in Tariff Schedule"]

[Text] It is important for businessmen not to have too many illusions about the changes which will be made in the customs tariff schedule which was published in the official gazette on 16 June. This was stated by Leonardo Vivas, director of the Office of Industries in the Ministry of Development. Nevertheless, he indicated that there is every intention to study cases in which problems have emerged.

This official said repeatedly that a great deal of fuss has been made about tariff items which, according to businessmen, provide negative protection (that is, where the raw materials pay a higher customs duty than the finished product) or where the protection afforded is very low. Considering the volume of products which exist in the country, which could amount to more than half a million items, and taking into consideration the fact that

the customs tariff covers a total of 6,470 items and that there are problems covering 785 items, as a study by Conindustria [Venezuelan Council of Industry] has confirmed, he said that there is really nothing to be concerned about in this connection.

He said that in this connection we should consider the possibility that the reaction by businessmen has been exaggerated. Nevertheless, he said that it is important for chambers of commerce to have an opportunity to present their views. In this respect he commented that the work done by Conindustria is very good and will provide a great deal of help in resolving some important problems. He said: "However, the problem is that it is difficult to accept that everything will be resolved. People should have no illusions." He argued that changing this situation is not easy and, furthermore, you have to appreciate that if all requested changes are made, then there will be the same number of people hurt as at present.

He also said that the government, when it makes changes, does not wish to damage the basic criterion of tariff reform. He said: "Businessmen should not think that everything is going to be resolved. There is a will to do so, but not everything can be done."

Making the Andes Pact More Flexible

Speaking on another matter, Leonardo Vivas said that there are products, both in the chemical as well as the metals and mechanical sectors, which are more controversial. On these products it was not possible to lower the tariffs any further, because these duties are a part of the common, external convention under the Andes Pact. In that connection Venezuela has already asked the Cartagena Agreement Board [Junac] to reconsider these cases.

He stated: "As we are proceeding with a balanced tariff schedule, Venezuela has asked for agreement to make its trade reforms more flexible, so that it will not have to adhere so closely to the common external tariff schedule."

In July 1989 at a meeting which will be held in Caracas the most significant cases will be raised once again with the Cartagena Agreement Board.

The director of the Office of Industries indicated that there also have been many people who have protested because they have been given very little protection on certain products. In this respect he commented that not all tariff duties could be high, because that was not the spirit of the reform. If this were not the case, we would have given everyone a top duty of 80 percent ad valorem.

At the same time he pointed out that not all of the inputs which make up a given product can be controlled. There are more than 6,000 tariff items which, under trade policy, are grouped in chapters. There are products which have inputs which appear in all of the chapters. To have adequate information about all of them, it would be necessary to have an immense master record, and that does not exist anywhere in the world.

Criteria To Be Determined

Despite the problems which have been presented, officials in the Ministry of Development are generally satisfied with the new trade policy. They consider that there are only a few errors in it.

On 3 July the interministerial committee composed of Development, Finance, Cordiplan [Central Office of Coordination and Planning], the Foreign Trade Institute (ICE), and the Ministry of Agriculture and Livestock will meet to define the criteria which will be used to make decisions regarding changes in the tariff schedule. Later the committee will begin to make the actual changes (although Vivas said that this process is already well advanced). Technical committees have been appointed which are reviewing the problems in each sector. It is believed that within 2 weeks corrections should be available for the errors which were made in drafting the new trade policy. However, this committee will not be limited to correcting errors but will also be charged with facilitating the process of institutional modernization, so that this tariff reform will meet the objectives set out for it. That is, it will undertake changes in Venezuelan customs procedures, it will analyze how claims of trade dumping are handled, and it will set up an adequate system of reference prices.

Guyana

Entry Denied for British Human Rights Expert

FL1408144289 Bonaire Trans World Radio in English 1130 GMT 14 Aug 89

[Text] In Guyana, government authorities are denying a British prison expert permission to inspect jails on behalf of the Caribbean Human Rights Network.

Home Affairs Ministry Permanent Secretary Fabian Liverpool has denied the permission to Vivian Stern of the British National Association for Care and Resettlement of Offenders. Mr Liverpool cites operational difficulties for the government for not granting the permission.

Miss Stern's visit is part of an inspection tour through several English- and Dutch-Speaking Caribbean islands. She is scheduled to visit Jamaica and Aruba this week.

Foreign Delegations Arrive for Congress

FL1408151589 Bridgetown CANA in English 1453 GMT 14 Aug 89

[Text] Georgetown, Guyana, August 14, CANA— Nineteen overseas delegations from as far away as India and Zimbabwe will attend the People's National Congress of Guyana's Eighth Biennial Congress, opening today.

The Guyana News Agency [GNA] said the People's Republic of Korea, Romania, Zimbabwe, Mozambique, India, Barbados, Cuba, Jamaica, St Vincent, Dominica, the German Democratic Republic, the Union of Soviet Socialist Republics, Yugoslavia, the African National Congress of South Africa, the South West Africa People's Organisation, the Communist Party of China, the National Party of Suriname, and the National Democratic Party also of Suriname, and the Palestinian Liberation Organisation will be represented at the meeting.

"In addition to other congress activities the overseas delegates will deliver messages and greetings at work site rallies at different agencies in Georgetown on August 16," the GNA said.

"On August 18, they will view a mini-art and craft exhibition at Congress Place. They will also visit the Guyana Mining Enterprises (Guymine) operations at Linden, and the Mahaica/Mahaicony/Abary Agriculture Development Authority."

The PNC congress will end on August 20.

Suriname

Shankar, Sarney Discuss Relations, Kourou Accord

FL1108184589 Paramaribo International Service in English 1730 GMT 11 Aug 89

[Text] President Ramsewak Shankar has last Wednesday [9 August] in Brazil held discussions with his Brazilian counterpart, Jose Sarney. Shankar arrived last Wednesday in neighboring Brazil for an official working visit. The president is accompanied by a 20-man-strong delegation.

Both presidents have, among others, spoken about the further execution of relations between Suriname and Brazil. In this framework, discussions were held about the execution of projects in the fields of communications, energy, soil conservation, and health care.

The Kourou Accord signed between a government delegation and Brunswijk Gang was also discussed. Both presidents, furthermore talked about regional and international matters.

President Ramsewak Shankar will today go to the state of Sao Paulo. There, he will hold discussions with, among others, the Brazilian trade and industry sectors.

The Surinamese delegation will return to the country on Sunday [13 August] coming.

Rensch Says Accord Will Not Disband Rebel Group

FL1108115689 Bonaire Trans World Radio in English 1130 GMT 11 Aug 89

[Text] A rebel representative says the peace accord signed with the government will not mean the disbandment of the rebels as a group. Stanley Rensch, who took part in the negotiations with the government, says the issue never came up during the talks which were held in French Guiana. Mr Rensch says the rebels represent a legitimate institution in Suriname which can help strengthen democracy in the country.